

Amended and Updated Programme Memorandum dated 17 July 2013

NAMIBIA POWER CORPORATION (PROPRIETARY) LIMITED

(incorporated in December 1964 with limited liability under company registration number 2051 in the Republic of Namibia)

ZAR5,000,000,000 (NAD5,000,000,000) MEDIUM TERM NOTE PROGRAMME



Namibia Power Corporation (Proprietary) Limited ("**Issuer**") has established a ZAR3,000,000,000 (NAD3,000,000,000) Medium Term Note Programme ("**Programme**") under which the Issuer may, from time to time, issue unsecured registered notes of any kind ("**Notes**") pursuant to the Programme Memorandum, dated 20 June 2007, prepared by the Issuer in respect of the Programme ("**Previous Programme Memorandum**"). The Previous Programme Memorandum was approved by the then Bond Exchange of South Africa Limited on 20 June 2007 and by the Namibian Stock Exchange ("**NSX**") on 5 June 2007.

The Issuer has amended and updated the Previous Programme Memorandum (including certain of the Terms and Conditions contained in the Previous Programme Memorandum), on the basis set out in this amended and updated Programme Memorandum, dated 17 July 2013 ("**Programme Memorandum**") and has increased the maximum aggregate Outstanding Principal Amount of all of the Notes that may be issued under the Programme (including all Notes in issue under the Programme pursuant to the Previous Programme Memorandum) at any one point in time ("**Programme Amount**") to ZAR5,000,000,000 (NAD5,000,000,000).

References in this Programme Memorandum to the "**Terms and Conditions**" are to Section 7 of this Programme Memorandum headed "*Terms and Conditions of the Notes*". References to any Condition are to that Condition of the Terms and Conditions. Capitalised terms used in this Programme Memorandum are defined in Section 16 of this Programme Memorandum headed "*Definitions*".

The amendments and updates to the Terms and Conditions are of a formal, minor or technical nature or are made to correct a manifest error or are made to comply with mandatory provisions of the law of South Africa and the law of Namibia, as contemplated in Condition 20.1 and, accordingly the consent of Noteholders of Notes in issue under the Programme, pursuant to the Previous Programme Memorandum, is not required for such amendments and updates.

This Programme Memorandum supersedes and replaces the Previous Programme Memorandum in its entirety, and applies to all Notes in issue under the Programme as at 17 July 2013 ("**Programme Date**") and all Notes issued under the Programme on and after the Programme Date.

As at the Programme Date, the Programme Amount is ZAR5,000,000,000 (NAD5,000,000,000). This Programme Memorandum will apply to Notes issued (and in issue) under the Programme in an aggregate Outstanding Principal Amount which will not exceed ZAR5,000,000,000 (NAD5,000,000,000) unless such amount is increased by the Issuer as set out in Section 2 of this Programme Memorandum headed "*General Description of the Programme*".

The Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions of that Tranche. The Applicable Terms and Conditions of a Tranche of Notes are the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement. The Applicable Pricing Supplement relating to a Tranche of Notes will set out, among other things, the Principal Amount, the Issue Date, the Issue Price, the Optional Maturity Date (where applicable), the Final Maturity Date and, in the case of interest-bearing Notes, the Interest Rate and the Interest Payment Dates (see Section 6 of this Programme Memorandum headed "*Form of the Applicable Pricing Supplement*").

The Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Index-Linked Notes, Zero Coupon Notes and/or such combination of the foregoing Notes and/or such other type of Note as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement.

A Tranche of interest-bearing Notes will bear interest on the aggregate Outstanding Principal Amount at the Fixed Rate and/or the Floating Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from and including the Issue Date to but excluding the Applicable Maturity Date. If so specified in the Applicable Pricing Supplement, a Tranche of interest-bearing Notes which is not redeemed in full on or before the Optional Maturity Date (where applicable) will bear interest at the increased Fixed Rate and/or the increased Floating Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from and including the Optional Maturity Date to but excluding the Applicable Maturity Date. Interest on a Tranche of interest-bearing Notes will be payable in arrear, in respect of the Interest Period(s) specified in the Applicable Pricing Supplement, on the Interest Payment Date(s) specified in the Applicable Pricing Supplement. Zero Coupon Notes will not bear interest.

Subject to the Applicable Terms and Conditions, the Issuer will redeem each Note in a Tranche, on the Final Maturity Date, at its Redemption Amount together (where applicable) with accrued interest. The Redemption Amount of a Note which is redeemed on the Final Maturity Date will be the Outstanding Principal Amount of that Note. If, in relation to a Tranche of Notes, so specified in the Applicable Pricing Supplement, the Issuer may at its option redeem each Note in that Tranche, on the Optional Maturity Date, at its Redemption Amount together (where applicable) with accrued interest, as contemplated in Condition 7.2. Where there has been a change in Applicable Law in respect of a Tranche of Notes, the Issuer may at its option redeem each Note in that Tranche, on the Early Redemption Date, at its Redemption Amount together (where applicable) with accrued interest, as more fully described in Condition 7.3. If at any time while any of the Notes remain outstanding a Change of Control occurs and a Negative Rating Event in respect of the Change of Control occurs within the Change of Control Period, the Issuer will redeem each Note, on the Early Redemption Date, at its Redemption Amount together (where applicable) with accrued interest, if (among other things) the Issuer is instructed to so redeem the Notes by a Special Resolution of the Noteholders, as more fully described in Condition 7.4. Subject to Condition 7.6, the Redemption Amount of a Note which is redeemed on the Optional Redemption Date or the Early Redemption Date, as the case may be, will be the Outstanding Principal Amount of that Note.

This Programme Memorandum was approved by the JSE Limited ("**JSE**") on 4 July 2013 and by the NSX on 12 March 2013. The Issuer may issue listed or unlisted Notes. Unlisted Notes are not regulated by the JSE or the NSX. Listed Notes will be listed on the Interest Rate Market of the JSE and/or the NSX and/or on such other

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Exchange(s) as may be determined by the Issuer and the relevant Dealer(s) subject to Applicable Laws. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Exchange(s).

The Notes may be issued on a continuing basis under the Programme and may be placed by one or more Dealers appointed by the Issuer from time to time pursuant to the Programme Agreement, which appointment may be for a specific issue of one or more Tranches of Notes or on an ongoing basis.

The Programme is not rated. As at the Programme Date, the Issuer is rated. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. See Section 2 of this Programme Memorandum headed "General Description of the Programme".

Prospective investors in the Notes should pay particular attention to Section 3 of this Programme Memorandum headed "Investment Considerations and Risks".

Lead Arranger and Debt Sponsor of the Programme in South Africa:

FirstRand Bank Limited, acting through its Rand Merchant Bank division



Lead Arranger of the Programme in Namibia:

RMB Namibia (Proprietary) Limited



Sponsor of the Programme in Namibia:

Simonis Storm Securities (Proprietary) Limited (member of the NSX)

Dealers:

Absa Corporate and Investment Bank, a division of Absa Bank Limited

Deutsche Bank AG, Johannesburg branch

FirstRand Bank Limited, acting through its Rand Merchant Bank division

NedNamibia Holdings Limited

RMB Namibia (Proprietary) Limited

The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division

Legal Advisers to the Issuer and the Lead Arranger of the Programme in South Africa (as to South African law):

Cliffe Dekker Hofmeyr Inc.



Legal Advisers to the Issuer (as to Namibian law):

Ellis Shilengudwa Inc.



GENERAL NOTICE

The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, each Applicable Pricing Supplement, the annual financial reports and any amendments to the annual financial reports, and each Supplement to this Programme Memorandum published by the Issuer from time to time.

The Issuer certifies that, to the best of its knowledge and belief, there are no facts the omission of which would make any statement contained in this Programme Memorandum false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that this Programme Memorandum contains or incorporates by reference (see Section 1 of this Programme Memorandum headed "*Documents Incorporated by Reference*") all information required by the JSE Debt Listings Requirements, the NSX Listings Requirements and all other Applicable Laws.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates by reference (see Section 1 of this Programme Memorandum headed "*Documents Incorporated by Reference*") all information which is material in the context of the issue and the offering of the Notes, that the information contained in (or incorporated by reference into) this Programme Memorandum as at the Programme Date is not misleading and that the opinions and the intentions expressed in this Programme Memorandum are honestly held.

Neither the JSE nor the NSX assume any responsibility or liability of whatsoever nature for the correctness of any of the statements made or opinions expressed or information contained in or incorporated by reference into this Programme Memorandum. The admission of any Tranche of Notes to the list of Debt Securities maintained by the JSE and/or the list of securities maintained by the NSX and the listing of any Tranche of Notes on the Interest Rate Market of the JSE and/or the NSX is not to be taken as an indication of the merits of the Issuer or the Notes. Neither the JSE nor the NSX assume any responsibility or liability of whatsoever nature for the contents of this Programme Memorandum or any Applicable Pricing Supplement or any information incorporated by reference into this Programme Memorandum, and neither the JSE nor the NSX make any representation as to the accuracy or completeness of this Programme Memorandum or any Applicable Pricing Supplement, or any information incorporated by reference into this Programme Memorandum. Each of the JSE and the NSX expressly disclaim any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum or any Applicable Pricing Supplement or any information incorporated by reference into this Programme Memorandum.

The Issuer makes no representation or warranties as to the settlement procedures of the JSE or the CSD or the NSX or any other Exchange. This Programme Memorandum must be read in conjunction with all documents which are incorporated by reference into this Programme Memorandum (see Section 1 of this Programme Memorandum headed "*Documents Incorporated by Reference*"). This Programme Memorandum must be read and construed on the basis that such documents are incorporated by reference into and form part of this Programme Memorandum.

No person is authorised to give any information or to make any representation other than those contained in or consistent with this Programme Memorandum. If any such information is given or representation made, it must not be relied upon as having been authorised by the Issuer, the JSE, the NSX, the Debt Sponsor, the Sponsor, the Lead Arrangers, the Dealers or any of their respective Affiliates or advisers.

Neither the delivery of this Programme Memorandum nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes will, in any circumstances, create any implication or constitute any representation that there has been no change in the affairs of the Issuer since the Programme Date or that the information contained in or incorporated by reference into this Programme Memorandum is correct at any time subsequent to the date of the document containing such information.

Neither the JSE nor the NSX nor the Debt Sponsor nor the Sponsor nor the Lead Arrangers nor the Dealers nor any of their respective Affiliates or advisers has separately verified the information contained in or incorporated by reference into this Programme Memorandum. No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the JSE, the NSX, the Debt Sponsor, the Sponsor, the Lead Arrangers, the Dealers or of their respective Affiliates or advisers as to the accuracy or completeness of any of the information contained in or incorporated by reference into this Programme Memorandum or any other information provided by the Issuer in connection with the Programme or the Notes.

Each person receiving this Programme Memorandum acknowledges that such person has not relied on the JSE, the NSX, the Debt Sponsor, the Sponsor, the Lead Arrangers, the Dealers or of their respective Affiliates or advisers in connection with its investigation of the accuracy of such information or its investment decision. Neither the JSE nor the NSX nor the Debt Sponsor nor the Sponsor nor the Lead Arrangers nor the Dealers nor any of their respective Affiliates or advisers accept any liability in relation to the information contained in (or incorporated by reference into) this Programme Memorandum or any other information provided by the Issuer in connection with the Programme or the Notes.

The Notes will be obligations solely of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by, any other person, including in particular but without limitation, FirstRand Bank Limited, acting through its Rand Merchant Bank division ("**RMB**") or RMB Namibia (Proprietary) Limited ("**RMB Namibia**") or any other Dealer or any of their respective Affiliates. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes and the Applicable Terms and Conditions will be accepted by any other person, including in particular but without limitation, RMB or RMB Namibia or any other Dealer or any of their respective Affiliates.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme or the Notes is intended to provide the basis for any credit or other evaluation, or should be considered as a recommendation or a statement of opinion, or a report of either of those things, by the JSE, the NSX, the Issuer, the Debt Sponsor, the Sponsor, the Lead Arrangers or the Dealers that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme or the Notes should subscribe for or purchase any Notes.

Each person contemplating making an investment in the Notes should make its own investigation and analysis of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, the extent of its exposure to risk (see Section 3 of this

Programme Memorandum headed "*Investment Considerations and Risks*") and any other factors which may be relevant to it in connection with such investment.

Neither the JSE nor the NSX nor the Issuer nor the Debt Sponsor nor the Sponsor nor the Lead Arrangers nor the Dealers undertake to review the financial condition or affairs of the Issuer or to advise any investor or potential investor in the Notes of any information coming to the attention of the JSE, the NSX, the Issuer, the Debt Sponsor, the Sponsor, the Lead Arrangers or the Dealers.

Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme or the Notes constitutes an offer or an invitation by or on behalf of the Issuer, the Debt Sponsor, the Sponsor, the Lead Arrangers or the Dealers to any person to subscribe for or to purchase or otherwise deal in any Notes.

The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and the issue, offering or sale of Notes in certain jurisdictions may be restricted by law. For a description of certain restrictions on offers, sales and subscriptions for Notes and on the distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and other offering material relating to the Programme and/or the Notes, see Section 11 of this Programme Memorandum headed "*Subscription and Sale*".

Neither the Issuer nor the Debt Sponsor nor the Sponsor nor the Lead Arrangers nor the Dealers or their respective advisors represent that this Programme Memorandum and/or any Applicable Pricing Supplement may be lawfully distributed, or that the Notes may be lawfully offered, subscribed for or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution, offering, subscription or sale.

In particular, save for obtaining the approval of this Programme Memorandum by the JSE and the NSX, no action has been taken by the Issuer, the Debt Sponsor, the Sponsor, the Lead Arrangers, the Dealers or their respective advisors which would permit a public offering of any Notes or a distribution of this Programme Memorandum and/or any Applicable Pricing Supplement in any jurisdiction where action for that purpose is required. No Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any Applicable Pricing Supplement nor any advertisement or other offering material relating to the Programme and/or the Notes may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all Applicable Laws and regulations.

Neither this Programme Memorandum nor any Applicable Pricing Supplement are for distribution in, and do not constitute an offer of Notes for sale or subscription in, the United States of America or in any other jurisdiction in which such a distribution or such offer for sale or subscription would be unlawful or would require qualification or registration. It is the responsibility of any person wishing to subscribe for or purchase Notes to satisfy himself as to the full observance of the laws of the relevant jurisdiction.

The Notes have not been and will not be registered under the United States Securities Act of 1933 ("US Securities Act"). The Notes may not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the US Securities Act.

Persons into whose possession this Programme Memorandum and/or any Applicable Pricing Supplement comes are required by the Issuer, the Debt Sponsor, the Sponsor, the Lead Arrangers and the Dealers to comply with all Applicable Laws and regulations in each country or jurisdiction in which they subscribe for, purchase, offer, sell, transfer or deliver Notes or have in their possession or distribute this Programme Memorandum and/or any Applicable Pricing Supplement and to obtain any consent, approval or permission required by them for the subscription, purchase, offer, sale, transfer or delivery by them of any Notes under the law and regulations in force in any country or jurisdiction to which they are subject or in which they make such subscriptions, purchases, offers, sales, transfers or deliveries, in all cases at their own expense, and none of the Issuer, the Debt Sponsor, the Sponsor, the Lead Arrangers or the Dealers shall have responsibility therefor.

Any Notes purchased or subscribed for by any person who wishes to offer such Notes for sale or resale may not be offered in any country or jurisdiction in circumstances which would result in the Issuer being obliged to register this Programme Memorandum or any further prospectus or corresponding document relating to the Notes in such country or jurisdiction.

In connection with the issue and placing of any Tranche of Notes, the Issuer or the Dealer (if any) who is designated in the Applicable Pricing Supplement as the approved stabilisation manager ("**Stabilisation Manager**") may, to the extent permitted by and in accordance with Applicable Laws and subject to the approval of the JSE and/or the NSX (as applicable), over-allot or effect transactions with a view to supporting the market price of Notes in the same Series as such Tranche of Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising must be carried out in accordance with all Applicable Laws.

The price/yield and amount of a Tranche of Notes will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

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Section 1
DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference into, and form part of, this Programme Memorandum:

- a) the respective annual reports of the Issuer for the financial years ended 30 June 2010, 30 June 2011, 30 June 2012 and 30 June 2013, which include the audited annual consolidated financial statements of the Issuer for such financial years and the independent auditor's reports in respect of such financial statements;
- b) the respective annual reports of the Issuer for all financial years of the Issuer after the Programme Date, which will include the audited annual consolidated financial statements of the Issuer for such financial years and the independent auditor's reports in respect of such financial statements;
- c) each Applicable Pricing Supplement;
- d) each supplement to the Programme Memorandum circulated by the Issuer from time to time, as set out below;
- e) the most recent rating report and/or rating affirmation of the Issuer issued by Fitch Southern Africa (Proprietary) Limited prior to the Programme Date;
- f) each rating report and/or rating affirmation of the Issuer issued by Fitch Southern Africa (Proprietary) Limited (and/or any other Rating Agency/ies) after the Programme Date;
- g) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is (i) electronically submitted via the JSE Stock Exchange News Service ("**SENS**") to SENS subscribers and/or (ii) available on any electronic news service established or used or required by the JSE; and
- h) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is (i) electronically submitted through the electronic news service operated by the NSX, to subscribers to that electronic news service and/or (ii) available on any electronic news service established or used or required by the NSX,

save that any statement contained in this Programme Memorandum or in any document which is incorporated by reference into this Programme Memorandum will be deemed to be modified or superseded for the purposes of this Programme Memorandum to the extent that a statement contained in any document which is subsequently incorporated by reference into this Programme Memorandum modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

It is recorded for the avoidance of doubt that a document listed above does not become a term of the Applicable Terms and Conditions (or the Terms and Conditions) by virtue of the incorporation of such document by reference into this Programme Memorandum.

This Programme Memorandum is available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and each Transfer Agent (who will hold this Programme Memorandum on behalf of the Issuer). This Programme Memorandum, each supplement to this Programme Memorandum prepared by the Issuer from time to time and each Applicable Pricing Supplement are also available (or will also be available) on the Issuer's website at www.nampower.com.na. This Programme Memorandum, each supplement to this Programme Memorandum prepared by the Issuer from time to time and each Applicable Pricing Supplement will be available on the JSE's website at www.jse.co.za and at the Specified Office of the NSX.

The respective annual reports of the Issuer referred to in paragraph (a) above and the rating report and/or rating affirmation of the Issuer referred to in paragraph (e) above are (or will be, in the case of the 30 June 2013 annual report) available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and each Transfer Agent (who will hold such annual reports and such rating report and/or rating affirmation on behalf of the Issuer). In addition, the respective annual reports of the Issuer referred to in paragraph (a) above and the rating report and/or rating affirmation of the Issuer referred to in paragraph (e) above are (or will be, in the case of the 30 June 2013 annual report) available on the Issuer's website at www.nampower.com.na.

The respective annual reports of the Issuer referred to in paragraph (b) above and the documents listed in paragraphs (c), (d) and (f) above will, as and when such annual reports and documents are approved and become available, be available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and each Transfer Agent (who will hold such annual reports and documents on behalf of the Issuer). In addition, the respective annual reports of the Issuer referred to in paragraph (b) above and the rating report and/or rating affirmation of the Issuer referred to in paragraph (f) above will, as and when such annual reports and such rating reports and/or rating affirmations are approved and become available, be available on the Issuer's website at www.nampower.com.na.

The Issuer will, for so long as any Notes which are listed on the Interest Rate Market of the JSE and/or the NSX remain outstanding, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, within six months of the financial year end of the Issuer, (a) if any of the information contained in this Programme Memorandum becomes outdated in a material respect or (b) if, after the annual reports of the Issuer for any financial year are incorporated by reference into this Programme Memorandum (see above), any of the information contained in the annual financial statements included in such annual reports becomes outdated in a material respect, as the case may be.

A new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, must be approved by the JSE and the NSX.

Any such new Programme Memorandum or Programme Memorandum as supplemented, as the case may be, will be deemed to substitute the

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previous Programme Memorandum from the date of issue of such new Programme Memorandum or Programme Memorandum as supplemented, as the case may be.

Section 2 GENERAL DESCRIPTION OF THE PROGRAMME

A general description of the Programme is set out below. The general description does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to a Tranche of Notes, the Applicable Pricing Supplement.

Issue

The Issuer may from time to time issue one or more Tranches of Notes (denominated in the Specified Currency) under the Programme, pursuant to this Programme Memorandum, provided that the aggregate Outstanding Principal Amount of all of the Notes issued (or in issue) under the Programme from time to time does not exceed the Programme Amount.

The denomination of each Note will be the Specified Denomination. The Notes will be issued with a minimum denomination of ZAR1,000,000 (NAD1,000,000) (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR or NAD). The Issuer will not require the consent of any Noteholder for the issue of any Tranche of Notes.

The Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions of that Tranche. The Applicable Terms and Conditions of a Tranche of Notes are the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.

The Applicable Pricing Supplement relating to a Tranche of Notes will set out, among other things, the Principal Amount, the Issue Date, the Issue Price, the Optional Maturity Date (where applicable), the Final Maturity Date and, in the case of interest-bearing Notes, the Interest Rate and the Interest Payment Dates (see Section 6 of this Programme Memorandum headed "Form of the Applicable Pricing Supplement").

The Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Index-Linked Notes, Zero Coupon Notes and/or such combination of the foregoing Notes and/or such other type of Note as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement. A Tranche of Notes will not (save as is set out in this Programme Memorandum and/or the Applicable Pricing Supplement) be subject to any minimum or maximum maturity.

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* amongst themselves and, subject to Condition 6 and save for certain debts accorded preferential rights by law, at least *pari passu* with all other present and future unsecured unsubordinated obligations of the Issuer, as set out in Condition 5.

The Notes will be obligations solely of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by, any other person, including in particular but without limitation, RMB or RMB Namibia or any other Dealer or any of their respective Affiliates. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes and the Applicable Terms and Conditions will be accepted by any other person, including in particular but without limitation, RMB or RMB Namibia or any other Dealer or any of their respective Affiliates.

Programme Amount

As at the Programme Date, the Programme Amount is ZAR5,000,000,000 (NAD5,000,000,000). This Programme Memorandum will only apply to Notes issued (and in issue) under the Programme in an aggregate Outstanding Principal Amount which does not exceed the Programme Amount (or the equivalent thereof in any other Specified Currency).

From time to time the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures, all Applicable Laws and the Programme Agreement, the Issuer may, upon application to the NSX, without the consent of any Noteholder, increase the Programme Amount in accordance with the provisions of the Programme Agreement. Upon the conditions set out in the Programme Agreement to the exercise of this right having been met, all references in this Programme Memorandum (and each agreement, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

As at the Programme Date, ZAR and NAD are linked currencies and ZAR1.00 is equivalent to NAD1.00. For the purpose of calculating the aggregate Outstanding Principal Amount of Notes issued under the Programme from time to time, the aggregate Outstanding Principal Amount of Notes in issue under the Programme pursuant to the Previous Programme Memorandum shall be taken into account. For the purpose of calculating the ZAR and/or NAD equivalent of such aggregate Outstanding Principal Amount:

- a) the ZAR and/or NAD equivalent of a Tranche of Notes denominated in any Specified Currency other than ZAR or NAD shall be determined, at or about the time at which a Placement Agreement is entered into between the Issuer and the relevant Dealer(s) for the issue and placing of that Tranche of Notes, on the basis of the spot rate at such time for the sale of such ZAR or NAD amount against the purchase of such other Specified Currency in the Johannesburg inter-bank foreign exchange market, as quoted by any leading bank selected by the Issuer;
- b) the ZAR and/or NAD equivalent of a Tranche of Index-Linked Notes shall be calculated *mutatis mutandis* in accordance with paragraph (a) above, with reference to the aggregate Principal Amount of that Tranche of Index-Linked Notes (regardless of the Issue Price of that Tranche);
- c) the ZAR and/or NAD equivalent of a Tranche of Zero Coupon Notes (or any other Tranche of Notes issued at a discount or a premium) shall be calculated *mutatis mutandis* in accordance with paragraph (a) above, with reference to the Issue Price.

Listing

The Issuer may issue listed or unlisted Notes. Unlisted Notes are not regulated by the JSE or the NSX. Listed Notes will be listed on the Interest Rate Market of the JSE and/or the NSX and/or on such other Exchange(s) as may be determined by the Issuer and the relevant Dealer(s) subject to Applicable Laws. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Exchange(s)

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust.

The holders of Notes that are not listed on the NSX will have no recourse against the NSX and/or the NSX Guarantee Fund. Claims against the NSX Guarantee Fund may only be made in respect of the trading of Notes listed on the NSX and in accordance with the NSX Rules and the rules of the NSX Guarantee Fund.

Notes listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX)

A copy of the signed Applicable Pricing Supplement relating to a Tranche of Notes which is to be listed (i) on the Interest Rate Market of the JSE or (ii) on the Interest Rate Market of the JSE and the NSX, as the case may be, will be delivered to (i) the JSE and the CSD or (ii) the JSE, the CSD and the NSX, as the case may be, before the Issue Date, and the Notes in that Tranche may be traded by or through (i) members of the JSE or (ii) members of the JSE and NSX Brokers, as the case may be, from the date specified in the Applicable Pricing Supplement, in accordance with the Applicable Procedures.

The settlement of trades in Notes which are listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX) will take place in accordance with the electronic settlement procedures of the JSE and the CSD.

Notes listed only on the NSX

If the Issuer issues a Tranche of Notes which is to be listed only on the NSX, the Issuer will, at least 2 (two) Business Days before the Issue Date, apply to the NSX in writing for an ISIN Code. A copy of the signed Applicable Pricing Supplement relating to that Tranche will be delivered to the NSX, before the Issue Date, and the Notes in that Tranche may be traded by or through NSX Brokers from the date specified in the Applicable Pricing Supplement, in accordance with the Applicable Procedures.

Each Tranche of Notes which is listed only on the NSX will be issued, cleared and settled in accordance with the NSX Rules and settlement procedures for the time being of the NSX, by the Treasury Division of the Issuer (who will act as Settlement Agent of all transactions in such Notes) in conjunction with the NSX Broker(s).

Unlisted Notes

If the Issuer issues a Tranche of unlisted Notes, the Issuer will, at the time of placement of that Tranche of Notes, inform the JSE in writing of the aggregate Principal Amount, the Optional Maturity Date (where applicable) and the Final Maturity Date of that Tranche.

In addition, if the Issuer issues a Tranche of unlisted Notes, the Issuer will, at least 2 (two) Business Days before the Issue Date, apply to the NSX in writing for an ISIN Code. The Issuer will also advise the NSX of the aggregate Principal Amount, the Optional Maturity Date (where applicable) and the Final Maturity Date of that Tranche.

Unlisted Notes will be settled by the Treasury Division of the Issuer (who will act as Settlement Agent of all transactions in such Notes) in conjunction with the NSX Broker(s), if applicable.

Notes listed on any other Exchange

If a Tranche of Notes is to be listed on any Exchange other than (or in addition to) the Interest Rate Market of the JSE and/or the NSX, the Issuer will, at the time of placement of that Tranche of Notes, inform the JSE and the NSX in writing of the aggregate Principal Amount, the Optional Maturity Date (where applicable) and the Final Maturity Date of that Tranche.

The settlement and redemption procedures for a Tranche of Notes listed on any Exchange other than (or in addition to) the Interest Rate Market of the JSE and/or the NSX will be specified in the Applicable Pricing Supplement.

Exchange control

The South African Exchange Control Authority gave its written approval, on 12 April 2013, to the Issuer issuing Notes under the Programme, which are listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX), in an aggregate outstanding Principal Amount which does not exceed ZAR5,000,000,000 (NAD5,000,000,000).

In addition to the approval referred to in the paragraph above, the issue of a particular Tranche of Notes which is listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX) may, depending on the type of Notes in that Tranche, require the prior written approval of the South African Exchange Control Authority in terms of the South African Exchange Control Regulations. The issue of a particular Tranche of Notes which is listed only on the NSX or which is unlisted may, depending on the type of Notes in that Tranche, require the prior written approval of the Namibian Exchange Control Authority in terms of the Namibian Exchange Control Regulations (see Section 13 of this Programme Memorandum headed "Exchange Control").

Rating

The Programme is not rated. As at the Programme Date, the Issuer has (A) (i) a long-term foreign currency Issuer Default Rating ("**IDR**") of BBB- with a positive outlook and (ii) a short-term IDR of F3 and (B) (i) a national long-term rating of AA-(zaf) with a positive outlook and (ii) a national short-term rating of F1+(zaf), from Fitch Southern Africa (Proprietary) Limited which was last affirmed in May 2012. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes in a Series may also be issued. A Rating of a Tranche of Notes is not a recommendation to subscribe for, buy, sell or hold any Notes, and may be subject to revision, suspension or withdrawal at any time by the Rating Agency.

Risk factors

Investing in the Notes involves certain risks (see Section 3 of this Programme Memorandum headed "*Investment Considerations and Risks*").

Section 3

INVESTMENT CONSIDERATIONS AND RISKS

The Issuer believes that the following investment considerations may affect its ability to fulfil its obligations under the Notes. All of these investment considerations are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring, but the inability of the Issuer to pay interest, principal or other amounts under any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information available to it as at the Programme Date, or which it may not be able to anticipate. The Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The information set out below is not intended as advice and does not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes.

Investment considerations which the Issuer believes may be material for the purpose of assessing the risks associated with the Notes and the market for the Notes generally are also described below.

The Issuer believes that the investment considerations described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts payable in respect of the Notes for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

Prospective investors should, prior to investing in the Notes, carefully consider the following investment considerations, in addition to the information set out elsewhere in this Programme Memorandum (including all documents incorporated by reference into this Programme Memorandum) and, in relation to a Tranche of Notes, the Applicable Pricing Supplement, and consult their own financial, tax and legal advisers as to the risks and investment considerations arising from an investment in the Notes, the appropriate tools to analyse such an investment, and the suitability of such an investment in the context of the particular circumstances of each investor.

The information set out in the following summary is intended as a general guide to certain investment considerations and risk factors which may be relevant to a prospective subscriber for or purchaser of any Notes or any person contemplating making an investment in the Notes.

Risks relating to the Issuer

General

The factors described below represent the inherent risks relating to the Issuer. The Issuer does not represent that the statements below regarding the risks relating to it are exhaustive. A potential investor should carefully consider the risks below and the other information in this Programme Memorandum.

The value of the Notes depends upon, amongst other things, the ability of the Issuer to fulfil its obligations under the Notes.

The financial prospects of any entity are sensitive to the underlying characteristics of its business and the nature and extent of the commercial risks to which the entity is exposed. There are a number of risks faced by the Issuer, including those that encompass a broad range of economic and commercial risks, many of which are not within its control. The performance of the Issuer's business can be influenced by external market and regulatory conditions. If the Issuer's business is affected by adverse circumstances in the same period, overall earnings would suffer significantly. These risks create the potential for the Issuer to suffer loss.

Electricity supply

Namibia does not have its own known commercially exploitable reserves of fossil fuels other than the undeveloped Kudu Gas Field and imports up to 80% of its electricity requirement during the winter months of the year. In recent years Southern Africa, including Namibia, experienced an electricity shortage and it is expected that this shortage will continue until significant additional capacity has been installed in this region. Namibia sources a significant portion of its electricity demand from neighbouring countries, which also experience electricity shortages. Certain of the Issuer's electricity supply agreements with foreign power suppliers are due to expire in the medium term, and there can be no guarantee that these agreements will be renewed on the same terms or at all. To address the security of electricity supply, the Issuer has embarked upon initiatives to increase its own generation capacity with various projects in the short, medium and long term and also has implemented programs to optimise the demand side management. The Issuer has an installed capacity of 508MW of which 114MW was added to the Namibian system in the last three years. In order to further secure supply in Namibia, Namibia requires the construction of a new base load power station in Namibia or the conclusion of further power purchase agreements.

To add new electricity generation capacity could take several years and may be subject to delays or cancellation. There can therefore be no assurance that Namibia will not experience future interruptions in the supply of electricity as the Namibian economy expands and new mining and other industrial projects proceed

The Issuer's single supplier status

The Issuer operates in Namibia as a single supplier of electricity. Regulations in Namibia currently prevent third parties from supplying electricity to another party. Market developments may lead to regulations being changed to allow other parties to directly compete with the Issuer in the supply of electricity.

Independent power projects

There are a number of independent power projects ("IPPs") in Namibia, mainly in the form of renewable projects, which have been given provisional

licences by the Namibian Electricity Control Board ("ECB"). Given the Issuer's regulated status as single buyer and supplier, the sponsors of most of these IPP projects are in the process of negotiating power purchase agreements ("PPAs") with the Issuer. These projects will compete directly with the Issuer's electricity generation business and the conclusion of new PPAs, thus these projects may have an impact on future tariff structure.

Electricity imports

The Issuer is exposed to electricity and commodity purchases denominated in foreign currency. It is expected that, over the short to medium term, the Issuer will be exposed to more expensive electricity imports and unfavourable exchange rate movements with regard to the current PPAs. In order to address this risk the Issuer regularly reviews its hedging strategy. Historically, the Issuer was able to pass on to customers most of such costs, however the risk exists that the ECB does not fully take into account cost increases in its approved tariff increases going forward.

Tariff regime

The current tariff regulatory environment remains progressive and the ECB remains committed to a cost-reflective tariff regime. The Issuer applies for and receives tariff increases on an annual basis. Given the impact that the new own generation capacity and PPA's with IPP's and neighbouring countries may have on the tariff, there is a risk that the Issuer is unable to recover its costs fully unless the ECB's allows for it in the tariff increases.

In the past the Government of the Republic of Namibia ("GRN") rendered assistance to the Issuer in respect of a tariff subsidy to assist the utility in running the Issuer's most expensive generators.

Since the Issuer's capital expenditure programme is on new base load generation, there is a risk that own generation might be more expensive than other regional generators and may put pressure on the Namibian electricity price regime.

Customer default risk

The Issuer's customer base consists mainly of large customers such as Regional Electricity Distributors ("REDs") and local authorities (70% of total sales) and mines (20% of total sales) with the remaining 10% comprising other small customers and exports. The REDs and local authorities act as distributors to the public and industry. Accordingly, the credit default risk associated with individual purchasers is largely transferred to the REDs and local authorities. The mining sector's projected contribution could increase to in excess of 40% of the Issuer's total sales if new mining developments proceed as planned. The Issuer does not expect significant credit default risk associated with the customers in the mining sector.

Capital expenditure programme

The Issuer has a capital investment programme of approximately N\$12.45 billion which will be expensed over the next seven years. The programme involves projects for the expansions and improvement of the Issuer's transmission network as well as projects for the construction of new power generation capacity. There is a risk that these projects cost more than expected or do not proceed at all due to the inability of the Issuer to raise the required funding. The Issuer currently has a sizeable cash buffer, supported by a relatively liquid investment portfolio, to fund its (essential) strategic generation and transmission infrastructure projects. The Issuer, however, does take its existing covenants as per existing loan agreements into account in its medium and long term financial planning.

Shareholder's support

The Issuer is wholly owned by the GRN. The GRN considers the Issuer as a strategic asset and is fully committed to maintain its sole shareholding in the Issuer over the foreseeable future. The GRN is currently not considering a privatisation or partial privatisation of any of its strategic assets. The GRN's shareholder policy remains supportive of the Issuer's long-term strategic objectives, and shareholder interests are aligned with the Issuer's financial sustainability.

Risks relating to the Notes generally

Non-recourse obligations

The Notes will be obligations solely of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by, any other person, including in particular but without limitation, RMB or RMB Namibia or any other Dealer or any of their respective Affiliates. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes and the Applicable Terms and Conditions will be accepted by any other person, including in particular but without limitation, RMB or RMB Namibia or any other Dealer or any of their respective Affiliates.

Limited liquidity of the Notes

The Issuer may issue listed or unlisted Notes. The continued listing of any Tranche of Notes listed on the Interest Rate Market of the JSE and/or the NSX and/or on any other Exchange(s) is subject to the rules of the relevant Exchange(s) in force from time to time. There can accordingly be no assurance that the listing of any Tranche of Notes will continue until the Final Maturity Date.

There may be a limited secondary market for the Notes. There can be no assurance that any secondary market for any of the Notes will continue until the Final Maturity Date. Generally, Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors will have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. Consequently, a subscriber or purchaser must be prepared to hold its Notes until the Final Maturity Date.

In addition, Noteholders should be aware that global credit market conditions may lead to a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary re-sales even if there is no decline in the performance of the assets of the Issuer.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Noteholders that trade in interest-bearing Notes during the period that the Register is closed prior to each Interest Payment Date, will need to reconcile any amounts payable on the following Interest Payment Date pursuant to a partial redemption of the Notes. As a result, secondary market liquidity of the Notes may reduce during this period.

Certain Notes will be held in the CSD

Each Tranche of Notes which is listed (i) on the Interest Rate Market of the JSE or (ii) on the Interest Rate Market of the JSE and the NSX, as the case may be, will be issued in registered uncertificated form and will be held in the CSD. The Noteholders of such Notes will have to rely on the procedures of the JSE and the CSD for transfer, payment and communication with the Issuer. Except in the circumstances described in the Terms and Conditions, the Noteholders of such Notes will not be entitled to receive Individual Certificates.

The CSD will maintain records of the Beneficial Interests in Notes held in the CSD. While Notes are held in the CSD, the holders of Beneficial Interests in such Notes will be able to trade their Beneficial Interests in such Notes only through the CSD. While Notes are held in the CSD, the Issuer will discharge its payment obligations under such Notes by making payments to or to the order of the CSD's Nominee (as the registered holder of such Notes), for distribution, via the CSD Participants, to the holders of Beneficial Interests in such Notes. A holder of a Beneficial Interest in Notes must rely on the procedures of the CSD and CSD Participants to receive payments under such Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, Beneficial Interests.

Holders of Beneficial Interests in Notes vote in accordance with the Applicable Procedures and will not have a direct right to vote in respect of such Instruments. Subject to the South African Financial Markets Act, the holder of a Beneficial Interest will be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 15.1.

Limited recourse to the BESA Guarantee Trust Fund and the NSX Guarantee Fund

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the BESA Guarantee Trust Fund. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust.

The holders of Notes that are not listed on the NSX will have no recourse against the NSX Guarantee Fund. Claims against the NSX Guarantee Fund may only be made in respect of the trading of Notes listed on the NSX and in accordance with the NSX Rules and the rules of the NSX Guarantee Fund.

Amendment of the Applicable Terms and Conditions

Condition 24 contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. Condition 24 permits defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Change of law

This Programme Memorandum, the Notes and the Applicable Terms and Conditions will be governed by, and construed in accordance with, the laws of South Africa, save that all references in the Applicable Terms and Conditions to (and provisions regarding) Namibian legislation will be governed by, and construed in accordance with, the laws of Namibia. No assurance can be given as to the impact of any possible judicial decision or change to the laws of South Africa or (where applicable) the laws of Namibia or administrative practice in either such jurisdiction after the Programme Date.

Tax considerations

The Issuer has carried out (or will have carried out) all steps reasonably necessary to ensure its compliance with the current provisions of Namibian tax legislation (including the Namibian Income Tax Act, the Namibian Value-Added Tax Act and other Taxation provisions). Full disclosure will be made to any Taxation bodies but no assurance can be given that the views of these bodies will not differ from the treatment adopted by the Issuer from time to time.

Rating

The Programme is not rated. As at the Programme Date, the Issuer has (A) (i) a long-term foreign currency Issuer Default Rating ("IDR") of BBB- with a positive outlook and (ii) a short-term IDR of F3 and (B) (i) a national long-term rating of AA-(zaf) with a positive outlook and (ii) a national short-term rating of F1+(zaf), from Fitch which was last affirmed in May 2012.

A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes in a Series may also be issued.

A Rating of a Tranche of Notes is not a recommendation to subscribe for, buy, sell or hold any Notes, inasmuch as, among other things, a Rating does not comment on the market price or suitability of the Notes for a particular investor. A Rating of a Tranche of Notes only addresses the likelihood that the aggregate Outstanding Principal Amount of Notes in that Tranche will be fully repaid by the Final Maturity Date and that the interest (if any) payable in respect of such Notes will be paid on a timely basis. A Rating of a Tranche of Notes does not address the likelihood of repayment of the aggregate Outstanding Principal Amount of such Notes before the Final Maturity Date. In addition, there can be no assurance that a Rating of a Tranche of Notes will remain for any given period of time or that the Rating will not be lowered or withdrawn entirely by the Rating Agency if, in its judgment, circumstances in the future warrant such action. There can be no assurance of any connection between a Rating on a national scale basis and a Rating on an international scale basis. A Rating assigned to a Tranche of Notes by a rating agency that has not been requested by the Issuer to do so,

may be lower than the equivalent Rating of that Tranche of Notes assigned by the Rating Agency, or such rating agency may rate a Tranche of Notes on an international scale basis which may be lower than the Rating on a national basis assigned to that Tranche of Notes by the Rating Agency.

Exchange rate risks and exchange controls

As at the Programme Date, ZAR and NAD are linked currencies and ZAR1.00 is equivalent to NAD1.00. All payments (whether in respect of principal, interest or otherwise) in respect of a Tranche of Notes will be made in the Specified Currency. If at any time after the Programme Date ZAR and NAD are de-linked or if a Tranche of Notes is denominated in a Specified Currency other than ZAR or NAD, as the case may be, certain risks may arise relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit ("**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency will decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risks related to the structure of a particular issue of Notes

The Notes may not be a suitable investment for all investors

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. The risks of a particular Tranche of Notes will depend on the Applicable Terms and Conditions of that Tranche of Notes, but may include, without limitation, the possibility of significant changes in the values of the applicable interest rates or other indices or formula. Prospective investors could lose all or a substantial portion of their investment.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Such risks generally depend on factors over which the Issuer has no control and which cannot readily be foreseen, such as economic and political events and the supply of and demand for the relevant securities, assets or other property. Neither the current nor the historical price, value or performance of (A) the relevant interest rates or other indices or formulae, (B) the relevant classes of securities, assets or other property, or (C) the relevant entities should be taken as an indication of future price, value or performance during the term of any Tranche of Notes.

Early redemption at the option of the Issuer

The Issuer may, in terms of and subject to the applicable provisions of Condition 7, at its option, redeem a Tranche of Notes prior to the Final Maturity Date, as more fully described in Conditions 7.2 and 7.3. These optional early redemption features of the Notes may limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any such redemption period.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Fixed

Rate Notes. Investment in Notes that bear interest at a rate that converts from a Fixed Interest Rate to a Floating Interest Rate (or *vice versa*) may affect the market value of the Notes. If the interest on the Notes is converted from a Fixed Interest Rate to a Floating Interest Rate, the spread on the Notes may be less favourable than then prevailing spreads on comparable Notes tied to the same reference rate. In addition, the new Floating Interest Rate at any time may be lower than the rates on other Notes. If the interest on the Notes is converted from a Floating Interest Rate to a Fixed Interest Rate, the new Fixed Interest Rate may be lower than then prevailing rates on other Notes.

Mixed Rate Notes

Mixed Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of Mixed Rate Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Mixed Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate may at any time be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Fixed Rate Notes.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Notes issued at a substantial discount or premium

The market values of Notes issued at a substantial discount or premium to their Principal Amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Index-Linked Notes

The Issuer may issue Index-Linked Notes the terms of which provide for interest or principal payable in respect of such Notes to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movement in currency exchange rates or other factors (each, a "Relevant Factor"). Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time than expected;
- the amount of principal payable at redemption may be less than the Principal Amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to Noteholders, even if the average level is consistent with expectations: in general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Notes where denominations involve integral multiples: Individual Certificates

If the aggregate Principal Amount of Notes held by a Noteholder is equivalent to a fraction of ZAR1,000,000 (NAD1,000,000) (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR or NAD) or a fraction of any multiple thereof, the Individual Certificate representing such Notes will be issued in accordance with, and be governed by, the Applicable Procedures.

A Noteholder which holds Notes in an aggregate Outstanding Principal Amount which is less than the minimum Specified Denomination may not receive an Individual Certificate in respect of such holding and may need to purchase an additional Principal Amount of Notes such that its total holding of such Notes amounts to the minimum Specified Denomination.

Holders of Notes which are represented by Individual Certificates should be aware that, where such Notes have a denomination which is a fraction of ZAR1,000,000 (NAD1,000,000) (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR or NAD) or a fraction of any multiple thereof, such Notes may be illiquid and difficult to trade.

Other Notes

The risks (if any) of investing in particular types of Notes which are not set out in, or covered by, this Section 3 of the Programme Memorandum will be set out in a supplement to this Programme Memorandum prior to the Issue Date of the first Tranche of such Notes to be issued under the Programme.

Section 4 SUMMARY OF THE PROGRAMME

A summary of the Programme and the Terms and Conditions is set out below. The summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to a Tranche of Notes, the Applicable Pricing Supplement.

Approval and listing	<p>This Programme Memorandum was approved by the JSE on 4 July 2013 and by the NSX on 12 March 2013.</p> <p>The Issuer may issue listed or unlisted Notes. Unlisted Notes are not regulated by the JSE or the NSX. Listed Notes will be listed on the Interest Rate Market of the JSE and/or the NSX and/or on such other Exchange(s) as may be determined by the Issuer and the relevant Dealer(s) subject to Applicable Laws. The Applicable Pricing Supplement relating to a Tranche of Notes will specify whether or not the Notes in that Tranche will be listed and, if so, on which Exchange(s).</p>
Auditors	<p>KPMG (registered chartered accountants and auditors in Namibia) and/or (where required by Applicable Laws) KPMG (registered chartered accountants and auditors in South Africa), or such other independent auditor (or independent firm of auditors) as may be appointed by the Issuer from time to time.</p>
Calculation Agent	<p>The Issuer, unless the Issuer elects to appoint, in relation to one or more Tranche(s) of Notes or a Series of Notes, another entity as Calculation Agent pursuant to a Calculation Agency Agreement, as contemplated in Condition 17.</p>
Clearing and settlement	<p><i>Notes listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX):</i></p> <p>Each Tranche of Notes which is listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX) will be issued in registered uncertificated form and will be held in the CSD. Each Tranche of Notes which is held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the CSD electronic settlement system (see Section 14 of this Programme Memorandum headed "<i>Settlement, Clearing and Transfer</i>").</p> <p><i>Notes listed only on the NSX:</i></p> <p>Each Tranche of Notes which is listed only on the NSX will be issued, cleared and settled in accordance with the NSX Rules and settlement procedures for the time being of the NSX, by the Treasury Division of the Issuer (who will act as Settlement Agent of all transactions in such Notes) in conjunction with the NSX Broker(s) (see Section 14 of this Programme Memorandum headed "<i>Settlement, Clearing and Transfer</i>").</p> <p><i>Notes listed on any Exchange other than (or in addition to) the Interest Rate Market of the JSE and/or the NSX:</i></p> <p>Each Tranche of Notes which is listed on any Exchange other than (or in addition to) the Interest Rate Market of the JSE and/or the NSX will be issued, cleared and settled in accordance with the rules and settlement procedures for the time being of that Exchange (see Section 14 of this Programme Memorandum headed "<i>Settlement, Clearing and Transfer</i>").</p> <p><i>Unlisted Notes:</i></p> <p>Unlisted Notes will be settled by the Treasury Division of the Issuer (who will act as Settlement Agent of all transactions in such Notes) in conjunction with the NSX Broker(s), if applicable (see Section 14 of this Programme Memorandum headed "<i>Settlement, Clearing and Transfer</i>").</p>
Commercial Paper Regulations	<p>See Annexure "A" to the <i>pro forma</i> Applicable Pricing Supplement set out in Section 6 of this Programme Memorandum headed "<i>Form of the Applicable Pricing Supplement</i>". The Commercial Paper Regulations are not applicable to a Tranche of Notes where (i) that Tranche of Notes is listed only on the NSX (and/or any other non-South African Exchange) or that Tranche of Notes is unlisted, as the case may be, and (ii) none of the Notes in that Tranche of Notes are subscribed for in South Africa.</p>
CSD	<p>Strate Limited, a central securities depository licensed in terms of the South African Financial Markets Act, or any additional or alternate depository approved by the Issuer. The CSD is the operator of an electronic clearing system and has been appointed by the JSE to match, clear and facilitate the settlement of all transactions concluded on the Interest Rate Market of the JSE.</p>
CSD Participants	<p>The persons accepted by the CSD as participants in terms of the South African Securities Services Act (prior to 3 June 2013) or the South African Financial Markets Act (on and after 3 June 2013), as applicable. As at the Programme Date, the CSD Participants are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank.</p> <p>Branches or agents of South African CSD Participants in Namibia may hold Notes through such South African CSD Participants. Euroclear Bank S.A/N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, <i>société anonyme</i> ("Clearstream") may hold Notes through their nominated South African</p>

CSD Participant.

Dealers	<p>In terms of (and subject to) the Programme Agreement, Absa Corporate and Investment Bank, a division of Absa Bank Limited, Deutsche Bank AG, Johannesburg branch, FirstRand Bank Limited, acting through its Rand Merchant Bank division ("RMB"), NedNamibia Holdings Limited, RMB Namibia (Proprietary) Limited ("RMB Namibia") and The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division have been appointed as Dealers for the duration of the Programme.</p> <p>The Issuer may, in terms of (and subject to) the Programme Agreement, appoint one or more additional Dealers for the duration of the Programme or to place one or more particular Tranches of Notes (see Section 11 of this Programme Memorandum headed "<i>Subscription and Sale</i>").</p>
Debt Sponsor	<p>FirstRand Bank Limited, acting through its Rand Merchant Bank division is the Debt Sponsor of the Programme in South Africa.</p>
Description of the Programme	<p>Namibia Power Corporation (Proprietary) Limited ZAR5,000,000,000 (NAD5,000,000,000) Medium Term Note Programme.</p>
Emigrant Blocked Rand and Emigrant Blocked Namibia Dollar	<p>Emigrant Blocked Rand may be used for the subscription or purchase of any Notes which are listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX), subject to the South African Exchange Control Regulations (see Section 13 of this Programme Memorandum headed "<i>Exchange Control</i>").</p> <p>Emigrant Blocked Namibia Dollar may be used for the subscription for or purchase of any Notes which are listed only on the NSX or which are unlisted, subject to the Namibian Exchange Control Regulations (see Section 13 of this Programme Memorandum headed "<i>Exchange Control</i>").</p>
Exchange control	<p><i>Notes listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX):</i></p> <p>The South African Exchange Control Authority gave its written approval, on 12 April 2013, to the Issuer issuing Notes under the Programme, which are listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX), in an aggregate outstanding Principal Amount which does not exceed ZAR5,000,000,000 (NAD5,000,000,000).</p> <p>In addition to the approval referred to in the paragraph above, the issue of a particular Tranche of Notes which is listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX) may, depending on the type of Notes in that Tranche, require the prior written approval of the South African Exchange Control Authority in terms of the South African Exchange Control Regulations. Dealings in such Notes and the performance by the Issuer of its obligations under such Notes may be subject to the South African Exchange Control Regulations (see Section 13 of this Programme Memorandum headed "<i>Exchange Control</i>").</p> <p><i>Notes listed only on the NSX and unlisted Notes:</i></p> <p>The issue of a particular Tranche of Notes which is listed only on the NSX or which are unlisted may, depending on the type of Notes in that Tranche, require the prior written approval of the Namibian Exchange Control Authority in terms of the Namibian Exchange Control Regulations. Dealings in such Notes and the performance by the Issuer of its obligations under such Notes and the Applicable Terms and Conditions may also be subject to the Namibian Exchange Control Regulations (see Section 13 of this Programme Memorandum headed "<i>Exchange Control</i>").</p>
Final redemption	<p>Subject to the Applicable Terms and Conditions, the Issuer will redeem each Note in a Tranche, on the Final Maturity Date, at its Redemption Amount together (where applicable) with interest accrued to the Final Maturity Date, as set out in Condition 7.1. The Redemption Amount of a Note which is redeemed on the Final Maturity Date will be the Outstanding Principal Amount of that Note.</p>
Form of Notes	<p>Each Tranche of Notes which is listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX) will be issued in registered uncertificated form in terms of Chapter IV of the South African Financial Markets Act, and will be held in the CSD. Notes issued in registered uncertificated form will not be represented by any certificate or written instrument (see Section 5 of this Programme Memorandum headed "<i>Form of the Notes</i>").</p> <p>Each Tranche of unlisted Notes and each Tranche of Notes which is listed only on the NSX will be issued in registered certificated form. Notes which are issued in registered certificated form will be represented by Individual Certificate(s) (see Section 5 of this Programme Memorandum headed "<i>Form of the Notes</i>").</p>
Governing law	<p>This Programme Memorandum, the Notes and the Applicable Terms and Conditions will be governed by, and construed in accordance with, the laws of South Africa, save that all references in the Applicable Terms and Conditions to (and provisions regarding) Namibian legislation will be governed by, and construed in accordance with, the laws of Namibia.</p>

Interest Commencement Date	A Tranche of interest-bearing Notes will bear interest from (and including) the Interest Commencement Date. Unless otherwise specified in the Applicable Pricing Supplement, the Interest Commencement Date will be the Issue Date.
Interest payments	Interest on a Tranche of interest-bearing Notes will be payable in arrear, in respect of the Interest Period(s) specified in the Applicable Pricing Supplement, on the Interest Payment Date(s) specified in the Applicable Pricing Supplement.
Interest Rate	A Tranche of interest-bearing Notes will bear interest on the aggregate Outstanding Principal Amount at the Fixed Rate and/or the Floating Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from and including the Interest Commencement Date to but excluding the Applicable Maturity Date. Zero Coupon Notes will not bear interest.
Interest step-up	If so specified in the Applicable Pricing Supplement, a Tranche of interest-bearing Notes which is not redeemed in full on or before the Optional Maturity Date (where applicable) will bear interest at the increased Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from and including the Optional Maturity Date to but excluding the Applicable Maturity Date.
Issue and transfer taxes	<p><i>Namibia:</i></p> <p>In terms of the Namibian Stamp Duties Act as at the Programme Date:</p> <ul style="list-style-type: none">a) stamp duty of 0.2% of the aggregate Principal Amount of a Tranche of Notes is payable by the Issuer to the Namibian Receiver of Revenue upon the original issue of such Tranche of Notes;b) subject to the exemption set out in paragraph c) below, stamp duty of 0.2% of the aggregate Principal Amount of the Notes is payable by the transferee to the Namibian Receiver of Revenue upon the registration of transfer of such Notes;c) no stamp duty is payable in respect of the registration of transfer of any Notes which are listed on the NSX or (if applicable) on any other licensed "exchange" as defined in the Namibian Stock Exchanges Control Act. <p><i>South Africa:</i></p> <p>As at the Programme Date, no securities transfer tax or any similar tax is payable under the South African Securities Transfer Tax Act in respect of the issue, transfer or redemption of unlisted Notes or Notes which are listed on (ii) the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX) or (ii) the NSX. Any future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer or redemption of such Notes will be for the account of the Noteholders (see Section 12 of this Programme Memorandum headed "Taxation").</p>
Issue Price	Each Note in a Tranche will be issued on a fully-paid basis at its Principal Amount or at a discount or premium to its Principal Amount, as specified in the Applicable Pricing Supplement.
Issuer	Namibia Power Corporation (Proprietary) Limited (incorporated with limited liability under company registration number 2051 in Namibia).
JSE	JSE Limited, licensed as an exchange in terms of the South African Financial Markets Act, or any exchange which operates as a successor exchange to the JSE in terms of the South African Financial Markets Act.
Lead Arrangers	FirstRand Bank Limited, acting through its Rand Merchant Bank division (as Lead Arranger of the Programme in South Africa) and RMB Namibia (Proprietary) Limited (as Lead Arranger of the Programme in Namibia).
Mandatory early redemption	Where, following an Event of Default, any Notes have been declared by the holder of such Notes to be immediately due and payable pursuant to Condition 13.2.2, each such Note (whether or not due for payment) shall become immediately due and payable at its Redemption Amount together (where applicable) with interest accrued to the Acceleration Date, as set out in Condition 13.
Negative pledge	Condition 6 provides for a negative pledge by the Issuer and each Affected Subsidiary. Subject to the exceptions set out in Condition 6, the Issuer will not (and will procure that each Affected Subsidiary will not), for as long as any of the Notes remain outstanding, create or permit the creation of Encumbrance(s) in aggregate, at any point in time, over the whole, or in excess of, or equal to, any Substantial Part, of its business, undertaking or assets, present or future, to secure any Indebtedness without at the same time securing the Notes equally and rateably with such Indebtedness or such other security for the Notes is provided as is approved by a Special Resolution of the Noteholders.
Noteholders	The holders of Notes recorded as the registered Noteholders of such Notes in the Register (it being recorded that, in relation to a Tranche of unlisted Notes and a Tranche of Notes which is listed only on the NSX, joint (or multiple) registered Noteholders of the same Notes will not be permitted until such time as the NSX's payment and settlement system allows for split payment of amounts which are due and payable in respect of such Notes

to each of such joint (or multiple) registered Noteholders).

Notes	Unsecured registered notes of any kind issued by the Issuer under the Programme, pursuant to this Programme Memorandum (or the Previous Programme Memorandum). The Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Index-Linked Notes, Zero Coupon Notes and/or such combination of the foregoing Notes and/or such other type of Note as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement. A Tranche of Notes will not (save as is set out in the Applicable Pricing Supplement) be subject to any minimum or maximum maturity (see Section 2 of this Programme Memorandum headed " <i>General Description of the Programme</i> ").
NSX	The Namibian Stock Exchange, licensed as an exchange in terms of section 1 of the Namibian Stock Exchanges Control Act, and any successor exchange operating in terms of the Namibian Stock Exchanges Control Act.
Optional early redemption	<p><i>Issuer optional early redemption on the Optional Maturity Date:</i></p> <p>If, in relation to a Tranche of Notes, so specified in the Applicable Pricing Supplement, the Issuer may at its option redeem each Note in that Tranche, on the Optional Maturity Date, at its Redemption Amount together (where applicable) with interest accrued to the Optional Maturity Date, as contemplated in Condition 7.2.</p> <p><i>Issuer optional early redemption for change in Applicable Law:</i></p> <p>Where there has been a change in Applicable Law in respect of a Tranche of Notes, as contemplated in Condition 7.3, the Issuer may at its option redeem each Note in that Tranche, on the Early Redemption Date, at its Redemption Amount together (where applicable) with interest accrued to the Early Redemption Date.</p> <p><i>Noteholder optional early redemption for Change of Control:</i></p> <p>If at any time while any of the Notes remain outstanding a Change of Control occurs and a Negative Rating Event in respect of the Change of Control occurs within the Change of Control Period, the Issuer will redeem each Note, on the Early Redemption Date, at its Redemption Amount together (where applicable) with interest accrued to the Early Redemption Date, if (among other things) the Issuer is instructed to so redeem the Notes by a Special Resolution of the Noteholders, as more fully described in Condition 7.4.</p> <p>Subject to Condition 7.6, the Redemption Amount of a Note which is redeemed on the Optional Redemption Date or the Early Redemption Date, as the case may be, will be the Outstanding Principal Amount of that Note.</p>
Paying Agent	FirstRand Bank Limited, acting through its Rand Merchant Bank division, unless the Issuer elects to appoint another entity as Paying Agent, as contemplated in Condition 17.
Placing	<p>A Tranche of Notes may be offered by way of public auction or private placement or any other means permitted by law, as determined by the Issuer and the relevant Dealer(s).</p> <p>A public auction (or Dutch auction) is not an offer of the Notes "<i>to the public</i>" for purposes of the Namibian Companies Act but is a process used in the debt capital markets to place a Tranche of Notes with institutional investors. For a description of a public auction (or Dutch auction), see Section 11 of this Programme Memorandum headed "<i>Subscription and Sale</i>".</p>
Programme Amount	As at the Programme Date, the Programme Amount is ZAR5,000,000,000 (NAD5,000,000,000). This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate Outstanding Principal Amount which does not exceed the Programme Amount. For the purpose of calculating the aggregate Outstanding Principal Amount of Notes issued under the Programme from time to time, the aggregate Outstanding Principal Amount of Notes in issue under the Programme pursuant to the Previous Programme Memorandum will be taken into account. The Issuer may increase the Programme Amount in the manner set out in Section 2 of this Programme Memorandum headed " <i>General Description of the Programme</i> ".
Rating	The Programme is not rated. As at the Programme Date, the Issuer is rated. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. See Section 2 of this Programme Memorandum headed " <i>General Description of the Programme</i> ".
Rating Agency/ies	Standard & Poor's and/or Fitch Southern Africa (Proprietary) Limited and/or Moody's Investor Services Limited and/or any other internationally recognised rating agency appointed by the Issuer in relation to a Tranche of Notes, as specified in the Applicable Pricing Supplement.
Register	<p>In terms of the Namibian Companies Act, the Register must be kept in Namibia. As at the Programme Date, Transfer Secretaries (Proprietary) Limited ("Transfer Secretaries") is the Transfer Agent for the Programme in Namibia. Transfer Secretaries will hold and maintain the Register in Namibia and the Register will be kept at the Specified Office of Transfer Secretaries.</p> <p>As at the Programme date, FirstRand Bank Limited, acting through its Rand Merchant Bank division ("RMB") is the Transfer Agent for the Programme in South Africa. RMB will liaise with the Issuer and Transfer Secretaries</p>

for purposes of transmitting all information required to maintain the Register in respect of or in relation to Notes (and the Noteholders of such Notes) which are listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX).

The Register will list the CSD's Nominee (as the registered holder of each Tranche of Notes which is held in the CSD) and each holder of Notes which are represented by an Individual Certificate (as the registered holder of such Notes).

The holders of Beneficial Interests in Notes will not be listed in the Register.

Payments of all amounts payable in respect of the Notes will be made to the person named as the registered holder of such Notes in the Register at 17h00 (South African time) on the Last Day to Register (whether a Business Day or not).

Register Closed Period

The Register will, in respect of a Tranche of Notes, be closed during the period(s), following the Last Day to Register, specified in the Applicable Pricing Supplement.

The Last Day to Register will be the eleventh day or such other day as is specified in the Applicable Pricing Supplement (whether a Business Day or not) preceding each Interest Payment Date (where applicable) and the Applicable Maturity Date until 17h00 (South African time) on that day.

Selling restrictions

The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and the offering or sale of or subscription for Notes in certain jurisdictions may be restricted by law.

In particular, there are restrictions on the distribution of this Programme Memorandum and/or any Applicable Pricing Supplement, and the offer or sale of or subscription for Notes, in the United States of America, the European Economic Area, the United Kingdom, South Africa, Namibia and such other restrictions as may, in relation to an offering or sale of a particular Tranche of Notes, be specified in the Applicable Pricing Supplement (see Section 11 of this Programme Memorandum headed "*Subscription and Sale*").

Persons who come into possession of this Programme Memorandum and/or any Applicable Pricing Supplement must inform themselves about and observe such restrictions.

Specified Currency

South African Rand (ZAR) or the Namibia Dollar (NAD) or (subject to the Namibian Exchange Control Regulations or the South African Exchange Control Regulations, as applicable) any other currency specified as such in the Applicable Pricing Supplement.

Specified Denomination

The denomination of each Note in a Tranche of Notes will be the denomination specified in the Applicable Pricing Supplement. The Notes will be issued with a minimum denomination of ZAR1,000,000 (NAD1,000,000) (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR or NAD).

Sponsor

Simonis Storm Securities (Proprietary) Limited (member of the NSX) is the Sponsor of the Programme in Namibia.

Status of Notes

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* amongst themselves and, subject to Condition 6 and save for certain debts accorded preferential rights by law, at least *pari passu* with all other present and future unsecured unsubordinated obligations of the Issuer, as set out in Condition 5.

Terms and Conditions

A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions of that Tranche. The Applicable Terms and Conditions of a Tranche of Notes are the Terms and Conditions (see Section 7 of this Programme Memorandum headed "*Terms and Conditions of the Notes*"), as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.

Transfer Agents

Transfer Secretaries (Proprietary) Limited (as Transfer Agent for the Programme in Namibia) and FirstRand Bank Limited, acting through its Rand Merchant Bank division, (as Transfer Agent for the Programme in Namibia) unless, in either case, the Issuer elects to appoint another entity as Transfer Agent, as contemplated in Condition 17.

Use of proceeds

The net proceeds from the issue of a Tranche of Notes will be applied by the Issuer for, among other things, the development and upgrade of the Issuer's electricity capabilities and responsibilities, and its other general corporate activities, as specified in the Applicable Pricing Supplement.

Withholding tax

As at the Programme Date, all payments of principal and interest in respect of the Notes will, in terms of the Namibian Income Tax Act as at the Programme Date, be made without withholding or deduction for or on account of any Taxes (see Section 12 of this Programme Memorandum headed "*Taxation*"). In the event that any such withholding or deduction is required to be made by Applicable Law, the Issuer will make such payments after such withholding or deduction has been made, and will account to the relevant Taxation authorities for the amount so required to be withheld or deducted. The Issuer will not be obliged to make any additional payments (whether in respect of principal, interest or otherwise) to any Noteholder in respect of such

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withholding or deduction.

Section 5 FORM OF THE NOTES

A summary of the form of the Notes is set out below. The summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to a Tranche of Notes, the Applicable Pricing Supplement.

General

A Tranche of Notes will be issued in registered certificated form or in registered uncertificated form, as specified in the Applicable Pricing Supplement. No Notes will be issued in bearer form.

Notes issued in uncertificated form

Each Tranche of Notes which is listed on (i) the Interest Rate Market of the JSE or (ii) the Interest Rate Market of the JSE and the NSX, as the case may be, will be issued in registered uncertificated form in terms of Chapter IV of the South African Financial Markets Act, and will be held in the CSD (see "*Beneficial Interests in Notes held in the CSD*" below). Notes issued in registered uncertificated form will not be represented by any certificate or written instrument.

Beneficial Interests in Notes held in the CSD

While a Tranche of Notes is held in its entirety in the CSD, the CSD's Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche.

The CSD will hold each Tranche of Notes subject to the South African Financial Markets Act and the Applicable Procedures. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.

The CSD maintains central securities accounts only for CSD Participants. As at the Programme Date, the CSD Participants are ABSA Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank.

Beneficial Interests which are held by CSD Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such CSD Participants, through the central securities accounts maintained by the CSD for such CSD Participants.

CSD Participants are in turn required to maintain securities accounts for their clients. Beneficial Interests which are held by clients of CSD Participants will be held indirectly through such CSD Participants, and such CSD Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such CSD Participants for such clients. The clients of CSD Participants may include the holders of Beneficial Interests or their custodians.

The clients of CSD Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their CSD Participants. Branches or agents of CSD Participants in Namibia may hold Notes through such CSD Participants. Euroclear and Clearstream may hold Notes through their CSD Participant.

In relation to each person shown in the records of the CSD or the relevant CSD Participant, as the case may be, as the holder of a Beneficial Interest in a particular aggregate Outstanding Principal Amount of Notes, a certificate or other document issued by the CSD or the relevant CSD Participant, as the case may be, as to the aggregate Outstanding Principal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered Noteholder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, each Transfer Agent and the relevant CSD Participant as the holder of that aggregate Outstanding Principal Amount of such Notes for all purposes.

Title to Beneficial Interests held by CSD Participants directly through the CSD will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such CSD Participants. Title to Beneficial Interests held by clients of CSD Participants indirectly through such CSD Participants will pass on transfer thereof by electronic book entry in the securities accounts maintained by such CSD Participants for such clients. Beneficial Interests may be transferred only in accordance with the Applicable Procedures. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

Subject to the South African Financial Markets Act, the holder of a Beneficial Interest will be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 15.1.

Notes issued in certificated form

Each Tranche of unlisted Notes and each Tranche of Notes which is listed only on the NSX will be issued in registered certificated form and will be represented by one or more Individual Certificates.

Each Noteholder of Notes which are represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes. Joint (or multiple) registered Noteholders of the same Notes will not be permitted until such time as the NSX's payment and settlement system allows for split payment of amounts which are due and payable in respect of such Notes to each of such joint (or multiple) registered Noteholders.

Title to Notes represented by Individual Certificates will pass upon registration of transfer in accordance with Condition 14.2.

The Issuer, the Paying Agent and each Transfer Agent will regard the Register as the conclusive record of title to Notes represented by Individual

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Certificates.

Payments of all amounts payable in respect of the Notes will be made to the person named as the registered Noteholder of such Notes in the Register at 17h00 (South African time) on the Last Day to Register.

Section 6
FORM OF THE APPLICABLE PRICING SUPPLEMENT

Set out below is the form of Applicable Pricing Supplement which (adapted, as applicable) will be completed for (i) each Tranche of Notes which is to be listed on the Interest Rate Market of the JSE, (ii) each Tranche of Notes which is to be listed on the Interest Rate Market of the JSE and the NSX, (iii) each Tranche of Notes which is to be listed only on the NSX and (iv) each Tranche of unlisted Notes.

The form of Applicable Pricing Supplement which will be completed for each Tranche of Notes which is to be listed on any Exchange other than (or in addition to) the Interest Rate Market of the JSE and/or the NSX will, subject to the rules of that Exchange and all Applicable Laws, be substantially in the form set out below, adapted, as applicable, to comply with the rules of that Exchange and all Applicable Laws.

NAMIBIA POWER CORPORATION (PROPRIETARY) LIMITED

(incorporated in December 1964 with limited liability under company registration number 2051 in the Republic of Namibia)

ZAR5,000,000,000 (NAD5,000,000,000) MEDIUM TERM NOTE PROGRAMME



This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Notes described herein.

This Applicable Pricing Supplement must be read in conjunction with the amended and updated Programme Memorandum, dated 17 July 2013 (as further amended and/or supplemented from time to time) ("**Programme Memorandum**") prepared by Namibia Power Corporation (Proprietary) Limited ("**Issuer**") in connection with the Namibia Power Corporation (Proprietary) Limited ZAR5,000,000,000 (NAD5,000,000,000) Medium Term Note Programme ("**Programme**").

The Programme Memorandum was approved by the JSE Limited ("**JSE**") on 4 July 2013 and by the Namibian Stock Exchange ("**NSX**") on 12 March 2013.

The Tranche of Notes described herein is [listed on the Interest Rate Market of the JSE] [listed on the Interest Rate Market of the JSE and the NSX] [listed only on the NSX] [unlisted].

References in this Applicable Pricing Supplement to the Terms and Conditions are to Section 7 of the Programme Memorandum headed "*Terms and Conditions of the Notes*". References to any Condition are to that Condition of the Terms and Conditions. Capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in Section 16 of the Programme Memorandum headed "*Definitions*".

To the extent that there is any conflict or inconsistency between the provisions of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

A	DESCRIPTION OF THE NOTES	
1.	Issuer	Namibia Power Corporation (Proprietary) Limited
2.	Tranche number	[]
3.	Series number	[]
4.	Status	Unsecured Senior Notes (see Condition 5)
5.	Form of Notes	[The Notes in this Tranche are issued in registered uncertificated form and will be held in the CSD] [The Notes in this Tranche are issued in registered certificated form and will be represented by one or more Individual Certificates]
6.	Type of Notes	[Fixed Rate Notes] [Floating Rate Notes] [Mixed Rate Notes] [Index-Linked Notes] [Zero Coupon Notes] [<i>specify other</i>]
7.	Aggregate Principal Amount of this Tranche	[ZAR[]] [NAD[]] [<i>specify other if the Specified Currency is not ZAR or NAD</i>]

8.	Minimum denomination per Note	[ZAR1 million] [NAD1 million] [<i>specify other if the Specified Currency is not ZAR or NAD</i>]
9.	Specified Denomination (nominal amount per Note)	[ZAR[]] [NAD[]] [<i>specify other if the Specified Currency is not ZAR or NAD</i>]
10.	Business Day Convention	[Not Applicable] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [<i>specify other</i>]
11.	Day Count Fraction	[Not Applicable] [1/1] [Actual/365] [Actual/365 Fixed]] [Actual/360] [30/360] [30E/360] [<i>specify other</i>]
12.	Business centre	[]

B PROGRAMME AMOUNT

1.	Programme Amount as at the Issue Date	[ZAR5,000,000,000 (NAD5,000,000,000)] [<i>specify other</i>]
2.	Aggregate Outstanding Principal Amount of all of the Notes issued under the Programme (including all Notes in issue under the Programme pursuant to the Previous Programme Memorandum) as at the Issue Date	ZAR[] ((NAD[] billion)) excluding the aggregate Principal Amount of this Tranche and any other Tranche(s) of Notes issued on the Issue Date, determined (where applicable) in accordance with the relevant provisions set out in Section 2 of the Programme Memorandum headed "General Description of the Programme".

C ISSUE AND REDEMPTION

1.	Issue Date	[]
2.	Issue Price	[[]% of the Principal Amount][<i>specify other</i>]
3.	Specified Currency	[ZAR] [NAD] [<i>specify other (subject to the Namibian Exchange Control Regulations or the South African Exchange Control Regulations, as applicable)</i>]
4.	Optional Maturity Date (Condition 7.2.1)	[Not Applicable] [<i>specify Optional Maturity Date: []</i>]
5.	Final Maturity Date	[]
6.	Redemption/Payment Basis:	[Redemption at Outstanding Principal Amount] [Index Linked Redemption] [<i>specify other</i>]
7.	Redemption Amount	Final Maturity Date: [[ZAR[]] [NAD[]] [<i>specify other</i>] Optional Redemption Date (if applicable) and Early Redemption Date: [[ZAR[]] [NAD[]] [Zero Coupon Notes – Condition 7.6.1 applicable] [<i>specify other</i>]
8.	Any other terms relating to redemption	[Not Applicable] [<i>specify other terms</i>]

D FIXED RATE NOTES

1.	Interest Payment Date(s)	[Semi-annually in arrear on <i>specify date(s): []</i> and [] of each year for the period from and including the Interest Commencement Date to but excluding the Applicable Maturity Date] [<i>specify other</i>]
2.	Interest Commencement Date	[Issue Date] [<i>specify other</i>]
3.	First Interest Payment Date	[]
4.	Interest Period(s)	[Each successive period commencing on and including an Interest Payment Date and ending on but excluding the following Interest Payment Date; provided that the first Interest Period will commence on and include the Interest Commencement Date and the last Interest Period will end on but exclude the Applicable Maturity Date] [<i>specify other</i>]
5.	Fixed Interest Rate	[[]% per annum [NACS] [<i>specify other</i>] for the period from and

- including the Interest Commencement Date to but excluding the [Optional Maturity Date] [Applicable Maturity Date]] [specify other]
6. Increased Interest Rate (Condition 8.1.2) [Not Applicable]
- [If this Tranche is not redeemed in full on or before the Optional Redemption Date, the Notes in this Tranche will bear interest at []% per annum [NACS] [specify other] for the period from and including the Optional Maturity Date to but excluding the [Applicable Maturity Date]] [specify other]
7. Initial Broken Amount [Not Applicable] [specify Initial Broken Amount: []]
8. Final Broken Amount [Not Applicable] [specify Final Broken Amount: []]
9. Other terms relating to the method of calculating interest for Fixed Rate Notes [Not Applicable] [specify other terms]

E FLOATING RATE NOTES

1. Interest Payment Date(s) [Quarterly in arrear on specify date(s): [] [] [] [] and [] of each year for the period from and including the Interest Commencement Date to but excluding the Applicable Maturity Date] [specify other]
2. Interest Commencement Date [Issue Date] [specify other]
3. First Interest Payment Date []
4. Interest Period(s) Each successive period commencing on and including an Interest Payment Date and ending on but excluding the following Interest Payment Date; provided that the first Interest Period will commence on and include the Interest Commencement Date and the last Interest Period will end on but exclude the Applicable Maturity Date] [specify other]
5. Floating Interest Rate [The floating interest rate per annum [NACQ] [specify other] equal to the sum of the [Reference Rate] and [the Margin] [specify other] for the period from and including the Interest Commencement Date to but excluding the [Optional Maturity Date] [Applicable Maturity Date] [specify other]
6. Increased Interest Rate (Condition 8.2.2) [Not Applicable]
- [If this Tranche is not redeemed in full on or before the Optional Redemption Date, the Notes in this Tranche will bear interest at the floating interest rate per annum [NACQ] [specify other] equal to the sum of the [Reference Rate] and [the Margin] and [the Step-Up Margin] [specify other] for the period from and including the Optional Maturity Date to but excluding the [Applicable Maturity Date] [specify other]
7. Manner in which the Floating Interest Rate is to be determined: [Screen Rate Determination] [ISDA Determination] [specify other]
8. Screen Rate Determination: [Applicable] [Not Applicable]
- Reference Rate [WIBAR Rate] (Note: no Relevant Screen Page or Reference Code or Relevant Time is applicable if the Reference Rate is WIBAR)
[JIBAR Rate]
[specify other]
 - Rate Determination Date(s): [The first day of each Interest Period] [specify other]
 - Relevant Screen Page and Reference Code [Reuters Screen SAFEX MNY MKT page - "SFX 3M YIELD"] [specify other]
9. ISDA Determination: [Applicable] [Not Applicable]
- Floating Rate Option []
 - Designated Maturity []
 - Reset Date []

- | | | |
|-----|--|---|
| 10. | Other Determination | [Applicable] [Not Applicable] (if the Floating Interest Rate to be calculated otherwise than by reference to Section E8 or Section E9 above, insert basis for determining the Floating Interest Rate) |
| 11. | Margin | [Not Applicable] [specify Margin: (+/-)[]% to be added to/subtracted from the relevant [ISDA Rate] [Reference Rate] [specify other]] |
| 12. | Step-Up Margin | [Not Applicable] [specify Step-Up Margin: ([] % to be added to the relevant [ISDA Rate] [Reference Rate] [specify other]] |
| 13. | Minimum Interest Rate | [Not Applicable] [specify Minimum Interest Rate: [] %] |
| 14. | Maximum Interest Rate | [Not Applicable] [specify Maximum Interest Rate: [] %] |
| 15. | Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate Notes, if different from those set out in the Terms and Conditions | [Not Applicable] [specify other terms] |

F MIXED RATE NOTES

- | | | |
|----|--|--|
| 1. | Interest Period(s) during which the Interest Rate for the Mixed Rate Notes will be a Fixed Interest Rate, and for which Interest Period(s) the Mixed Rate Notes will, pursuant to Condition 8.3.4, be construed as Fixed Rate Notes and have the terms set out in Section D above headed "FIXED RATE NOTES" | [] |
| 2. | Interest Period(s) during which the Interest Rate for the Mixed Rate Notes will be a Floating Interest Rate, and for which Interest Period(s) the Mixed Rate Notes will, pursuant to Condition 8.3.4, be construed as Floating Rate Notes and have the terms set out in Section E above headed "FLOATING RATE NOTES" | [] |
| 3. | Other terms relating to the method of calculating interest for Mixed Rate Notes | [Not Applicable] [specify other terms] |

G ZERO COUPON NOTES

- | | | |
|----|---|--|
| 1. | Accrual Yield | [[] %] [specify other] |
| 2. | Reference Price | [] |
| 3. | Any other formula/basis of determining amount payable | [Not Applicable] [give details] |
| 4. | Other terms relating to the method of calculating payments for Zero Coupon Notes, if different from those set out in the Terms and Conditions | [Not Applicable] [specify other terms] |

H INDEX-LINKED NOTES

- | | | |
|----|--|---|
| 1. | Index/Formula by reference to which Interest Rate / Interest Amount / Applicable Redemption Amount is to be determined | [give or annex details] |
| 2. | Manner in which the Interest Rate / Interest Amount / Applicable Redemption Amount is to be determined | [give or annex details] |
| 3. | Interest/Payment Commencement Date | [Issue Date] [specify other] |
| 4. | Interest/Payment Date(s) | [] in arrear on specify date(s): [] [] [] of each year for the period from and including the Interest/Payment Commencement Date to but excluding the Applicable Maturity Date] [specify other] |
| 5. | Interest/Payment Period(s) | [Each successive period commencing on and including an [Interest/Payment Date] [specify other] and ending on but excluding the following Interest/Payment Date [specify other]; provided that the first Interest/Payment Period [specify other] will commence on and include the Interest/Payment Commencement Date and the last Interest/Payment |

Period [*specify other*] will end on but exclude the Applicable Maturity Date [*specify other*]

Provisions for determining interest and/or other payments where calculation by reference to Index and/or Formula is impossible or impracticable

[Not Applicable] [*give details*]

7. Market Disruption or Settlement Disruption Events [*Describe any market disruption or settlement disruption events that affect the Index*]
8. Other terms relating to the method of calculating interest and/or other payments for Index Linked Notes [Not Applicable] [*specify other terms*]

I OTHER NOTES

1. If the Notes are not Floating Rate Notes, Fixed Rate Notes, Mixed Rate Notes, Zero Coupon Notes or Index-Linked Notes, or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional terms and conditions applicable to such Notes []

J AGENTS AND SPECIFIED OFFICES

1. Calculation Agent [Namibia Power Corporation (Proprietary) Limited] [*specify other*]
2. Specified Office of the Calculation Agent [NamPower Centre, 15 Luther Street, Windhoek, Namibia] [*specify other*]
3. Paying Agent [FirstRand Bank Limited, acting through its Rand Merchant Bank division] [*specify other*]
4. Specified Office of the Paying Agent [14th Floor, 1 Merchant Place, cnr. Rivonia Road and Fredman Drive, Sandton, 2196, South Africa] [*specify other*]
5. Transfer Agent for the Programme in Namibia [Transfer Secretaries (Proprietary) Limited] [*specify other*]
6. Specified Office of the Transfer Agent for the Programme in Namibia [4 Robert Mugabe Avenue, Windhoek, Namibia] [*specify other*]
7. Transfer Agent for the Programme in South Africa [RMB] [*specify other*]
8. Specified Office of the Transfer Agent for the Programme in South Africa [14th Floor, 1 Merchant Place, cnr. Rivonia Road and Fredman Drive, Sandton, 2196, South Africa] [*specify other*]

K REGISTER CLOSED

1. Last Day to Register Up until 17h00 (South African time) on the [eleventh] [*specify other*] day (whether such is a Business Day or not) preceding each Interest Payment Date (where applicable) and the Applicable Maturity Date, being in each instance, the last date on which the Transfer Agent for the Programme in Namibia will accept Transfer Forms and record in the Register the transfer of Notes represented by individual Certificates.
2. Register Closed Period The Register will be closed during the [10 (ten)] [*specify other*] days preceding each Interest Payment Date (where applicable) and the Applicable Maturity Date from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding the Interest Payment Date (where applicable) and the Applicable Maturity Date.
3. Books Closed Dates [*specify*]

L GENERAL

1. Exchange control approval The South African Exchange Control Authority gave its written approval, on 12 April 2013, to the Issuer issuing Notes under the Programme, which are listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX), in an aggregate outstanding Principal Amount which does not exceed ZAR5,000,000,000 (NAD5,000,000,000).

		Specific approval: [Not Applicable] [Applicable]
		<i>(Note 1: in addition to the approval referred to in the paragraph above, if this Tranche is listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX), the issue of this Tranche may, depending on the type of Notes in this Tranche, require the prior written approval of the South African Exchange Control Authority in terms of the South African Exchange Control Regulations.)</i>
		<i>(Note 2: if this Tranche is listed only on the NSX or is unlisted, the issue of this Tranche may, depending on the type of Notes in this Tranche, require the prior written approval of the Namibian Exchange Control Authority in terms of the Namibian Exchange Control Regulations.)</i>
2.	Additional selling restrictions (if any)	[Not Applicable] [give details]
3.	International Securities Numbering (ISIN) (if applicable)	[]
4.	Stock Code Number (if applicable)	[]
5.	Exchange	[The Interest Rate Market of the JSE] [The Interest Rate Market of the JSE and the NSX] [The NSX] [Not Applicable – unlisted Notes]
6.	Method of distribution	[Private Placement] [Method of Distribution set out in the Term Sheet, dated [], prepared by [] and sent to potential investors for purposes of placing the Notes in this Tranche] [Dutch Auction] [specify other] <i>(Note: A public auction (or Dutch auction) is not an offer of the Notes "to the public" for purposes of the Namibian Companies Act but is a process used in the debt capital markets to place a Tranche of Notes with institutional investors. For a description of a public auction (or Dutch auction), see Section 11 of the Programme Memorandum headed "Subscription and Sale".)</i>
7.	Names of Dealer(s)	[Not Applicable] [give details]
8.	Stabilisation Manager (if applicable)	[Not Applicable] [give details]
9.	Rating assigned to this Tranche of Notes (if any) as at the Issue Date and date on which such Rating is expected to be reviewed	[Not Applicable] [give details]
10.	Rating Agency(ies) (if any) - this Tranche of Notes	[Not Applicable] [give details]
11.	Rating assigned to the Issuer as at the Issue Date	[As at the Programme Date, the Issuer has (A) (i) a long-term foreign currency Issuer Default Rating ("IDR") of BBB- with a positive outlook and (ii) a short-term IDR of F3 and (B) (i) a national long-term rating of AA-(zaf) with a positive outlook and (ii) a national short-term rating of F1+(zaf), from Fitch Southern Africa (Proprietary) Limited which was last affirmed in May 2012.] [specify other]
12.	Rating Agency - Issuer	[Fitch Southern Africa (Proprietary) Limited] [specify other]
13.	Governing law	The Notes and the Applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of South Africa, save that all references in the Applicable Terms and Conditions to (and provisions regarding) Namibian legislation will be governed by, and construed in accordance with, the laws of Namibia.
14.	Other provisions	[Not Applicable] [give details]
15.	Use of proceeds	The net proceeds from the issue of this Tranche of Notes will be applied by the Issuer for [the development and upgrade of the Issuer's electricity capabilities and responsibilities, and its other general corporate activities] [specify other] <i>(Note: see Annexure "A" to this Applicable Pricing Supplement, if applicable)</i>
16.	Commercial Paper Regulations	[Applicable (see Annexure "A" to this Applicable Pricing Supplement)] [Not Applicable] <i>(Note: the Commercial Paper Regulations are not applicable where (i) this Tranche is listed only on the NSX (and/or any</i>

other non-South African Exchange) or this Tranche is unlisted, as the case may be, and (ii) none of the Notes in this Tranche are subscribed for in South Africa)

*(*delete whichever of (1) or (2) below is not applicable)*

[1. *Notes to be listed on the Interest Rate Market of the JSE or on the Interest Rate Market of the JSE and the NSX, as the case may be:*

The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, the annual financial reports and any amendments to the annual financial reports, each Supplement to the Programme Memorandum published by the Issuer from time to time and this Applicable Pricing Supplement.

The Issuer certifies that, to the best of its knowledge and belief, there are no facts the omission of which would make the Programme Memorandum or any statement contained in the Programme Memorandum false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that the Programme Memorandum contains all information required by the JSE Debt Listings Requirements, the NSX Listings Requirements and all other Applicable Laws.

Application is hereby made to list Tranche [] of Series [] of the Notes on [the Interest Rate Market of the JSE] [the Interest Rate Market of the JSE and the NSX], as from [], pursuant to the Namibia Power Corporation (Proprietary) Limited ZAR5,000,000,000 (NAD5,000,000,000) Medium Term Note Programme.]

[2. *Notes to be listed only on the NSX or unlisted Notes, as the case may be:*

The Issuer accepts responsibility for the information contained in this Applicable Pricing Supplement.

[Application is hereby made to list Tranche [] of Series [] of the Notes on the NSX, as from [], pursuant to the Namibia Power Corporation (Proprietary) Limited ZAR5,000,000,000 (NAD5,000,000,000) Medium Term Note Programme]

[This Tranche [] of Series [] of the Notes, issued pursuant to the Namibia Power Corporation (Proprietary) Limited ZAR5,000,000,000 (NAD5,000,000,000) Medium Term Note Programme is unlisted]

Namibia Power Corporation (Proprietary) Limited

By: _____

Director, duly authorised

Date: _____

By: _____

Director, duly authorised

Date: _____

**Annexure "A" to the Applicable Pricing Supplement
Commercial Paper Regulations**

The information required to be disclosed in terms of paragraph 3(5) of the Commercial Paper Regulations is set out in this Annexure "A", except where such information is disclosed in the Programme Memorandum and/or the attached Applicable Pricing Supplement ("**relevant Applicable Pricing Supplement**") relating to the Tranche of Notes described therein ("**relevant Tranche**"):

Issuer and ultimate borrower (paragraph 3(5)(a) of the Commercial Paper Regulations)

The Issuer of the relevant Tranche is Namibia Power Corporation (Proprietary) Limited (incorporated in December 1964 with limited liability under company registration number 2051 in Namibia).

The "*ultimate borrower*" (as defined in paragraph 1 of the Commercial Paper Regulations) of the net proceeds from the issue of the relevant Tranche will be [the Issuer] [*specify other*].

Going concern (paragraph 3(5)(b) of the Commercial Paper Regulations)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments, thereby reflecting the adequacy of the liquidity and solvency of the Issuer.

Auditors (paragraph 3(5)(c) of the Commercial Paper Regulations)

The auditors of the Issuer as at the Issue Date of the relevant Tranche are [KPMG (registered chartered accountants and auditors in Namibia)] [*specify other*]. [KPMG (registered chartered accountants and auditors in Namibia)] [*specify other*] has acted as auditors of the Issuer's latest audited financial statements.

Total amount of Commercial Paper (paragraph 3(5)(d) of the Commercial Paper Regulations)

[The Issuer has not, prior to the Issue Date of the relevant Tranche, issued any Commercial Paper] [The Issuer has, prior to the Issue Date of the relevant Tranche, issued Commercial Paper in an aggregate amount of ZAR[] (NAD[]) (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR or NAD)].

To the best of the Issuer's knowledge and belief, the Issuer estimates that it will issue Commercial Paper in an aggregate amount of ZAR[] (NAD[]) (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR or NAD) during the Issuer's current financial year (excluding the relevant Tranche).

Other information (paragraph 3(5)(e) of the Commercial Paper Regulations)

[Not Applicable] [*give details*]

Material adverse change (paragraph 3(5)(f) of the Commercial Paper Regulations)

Save as disclosed in the Programme Memorandum [and as set out below], there has been no material adverse change in the Issuer's financial position since the date of the Issuer's last audited annual financial statements.

[*give details, if applicable*]

Listing (paragraph 3(5)(g) of the Commercial Paper Regulations)

The relevant Tranche is listed on [the Interest Rate Market of the JSE] [the Interest Rate Market of the JSE and the NSX] [the NSX] [and] [or] [*specify other non-South African Exchange*] and Notes in the relevant Tranche will be subscribed for in South Africa]

[The relevant Tranche is unlisted and Notes in the relevant Tranche will be subscribed for in South Africa].

Use of proceeds (paragraph 3(5)(h) of the Commercial Paper Regulations)

The net proceeds from the issue of the relevant Tranche will be applied by the Issuer for the following purposes: [*specify*].

Security (paragraph 3(5)(i) of the Commercial Paper Regulations)

The Notes in the relevant Tranche are unsecured.

Auditors confirmation (paragraph 3(5)(j) of the Commercial Paper Regulations)

[KPMG (registered chartered accountants and auditors in Namibia)] [KPMG (registered chartered accountants and auditors in South Africa)] [*specify other*], [as auditors of the Issuer], have confirmed that nothing has come to their attention to indicate that the issue of the relevant Tranche under the Programme will not comply in all respects with the provisions of the Commercial Paper Regulations.

Audited financial statements (paragraph 3(5)(i) and (ii) of the Commercial Paper Regulations)

Where the Programme Memorandum and/or the relevant Applicable Pricing Supplement is distributed and/or made available for inspection, in respect of the relevant Tranche, in South Africa then, as required by the Commercial Paper Regulations, a copy of the Issuer's latest audited financial statements will at all times separately accompany the Programme Memorandum and/or the relevant Applicable Pricing Supplement.

Section 7 TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions:

1. INTERPRETATION

- 1.1. Section 16 of this Programme Memorandum headed "*Definitions*" is incorporated by reference into the Terms and Conditions. In the Terms and Conditions, capitalised terms will bear the meanings ascribed to such terms in Section 16 of this Programme Memorandum headed "*Definitions*", except to the extent that any such capitalised term, in relation to a Tranche of Notes, is separately defined in this Programme Memorandum (including the Terms and Conditions) and/or the Applicable Pricing Supplement.
- 1.2. Words denoting the singular only will include the plural also and *vice versa*, words denoting one gender only will include the other genders and words denoting persons only will include firms and corporations and *vice versa*.
- 1.3. The use of the word "including" followed by a specific example/s will not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule will not be applied in the interpretation of such general wording or such specific example/s. Such references to "including" and "in particular" will not be construed restrictively but will mean "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing" respectively.
- 1.4. Any reference to days (other than a reference to Business Days), months or years will be a reference to calendar days, months or years, as the case may be.
- 1.5. All references in the Terms and Conditions to any statute, regulation or other legislation (including, without limiting the generality of the foregoing, the Applicable Laws and the Applicable Procedures) will be a reference to that statute, regulation or other legislation as at the Programme Date and as amended, re-enacted or replaced and substituted from time to time.

2. ISSUE

- 2.1. The Issuer may from time to time issue one or more Tranches of Notes (denominated in the Specified Currency) pursuant to the Programme; provided that the Outstanding Principal Amount of all of the Notes issued under the Programme from time to time (including all Notes in issue under the Programme pursuant to the Previous Programme Memorandum) does not exceed the Programme Amount.
- 2.2. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions of that Tranche of Notes. The Applicable Terms and Conditions of a Tranche of Notes are the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement relating to that Tranche of Notes.
- 2.3. The Applicable Terms and Conditions of a Tranche of Notes are incorporated by reference into the Individual Certificate(s) (if any) representing any Notes in that Tranche. The Applicable Pricing Supplement will be attached to such Individual Certificate(s). The holders of the Notes in a Tranche are deemed to have knowledge of, and are entitled to the benefit of, and are subject to, all the provisions of the Applicable Pricing Supplement relating to that Tranche.
- 2.4. The Issuer may issue listed or unlisted Notes. Unlisted Notes are not regulated by the JSE or the NSX. Listed Notes will be listed on the Interest Rate Market of the JSE and/or the NSX and/or on such other Exchange(s) as may be determined by the Issuer and the relevant Dealer(s) subject to Applicable Laws. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Exchange(s).
- 2.5. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE and/or the BESA Guarantee Trust Fund. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust.
- 2.6. The holders of Notes that are not listed on the NSX will have no recourse against the NSX Guarantee Fund. Claims against the NSX Guarantee Fund may only be made in respect of the trading of Notes listed on the NSX and in accordance with the NSX Rules and the rules of the NSX Guarantee Fund.

3. FORM AND DENOMINATION

3.1. General

- 3.1.1. The denomination of each Note in a Tranche will be the Specified Denomination. The Notes will be issued with a minimum denomination of ZAR1,000,000 (NAD1,000,000) (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR or NAD).
- 3.1.2. A Tranche of Notes will be issued in registered certificated form or in registered uncertificated form, as specified in the Applicable Pricing Supplement. Notes will not be issued in bearer form.
- 3.1.3. If a Tranche of Notes which is listed on any Exchange (other than the Interest Rate Market of the JSE and the NSX) may, in terms of the rules of that Exchange and Applicable Laws, be lodged in a central securities depository and/or issued in uncertificated form, the

relevant procedures (including those relating to beneficial ownership interests in that Tranche of Notes) will be set out in the Applicable Pricing Supplement.

3.2. Notes issued in certificated form

Each (i) Tranche of unlisted Notes and (ii) each Tranche of Notes which is listed only on the NSX, will be issued in registered certificated form. The Notes in a Tranche of Notes issued in registered certificated form will be represented by one or more Individual Certificates.

3.3. Notes issued in uncertificated form

A Tranche of Notes which is listed (i) on the Interest Rate Market of the JSE or (ii) on the Interest Rate Market of the JSE and the NSX, as the case may be, will be issued in registered uncertificated form, in terms of Chapter IV of the South African Financial Markets Act, and will be held in the CSD. Notes issued in uncertificated form will not be represented by any certificate or written instrument.

3.4. Beneficial Interests in Notes held in the CSD

3.4.1. All Notes held in the CSD will be held subject to the South African Financial Markets Act and the Applicable Procedures. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.

3.4.2. Subject to the South African Financial Markets Act, the holder of a Beneficial Interest will be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 15.1.

4. TITLE

4.1. Notes issued in certificated form

4.1.1. Each holder of Notes which are represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes.

4.1.2. In the case of unlisted Notes and Notes which are listed only on the NSX, joint (or multiple) registered Noteholders of the same of any of such Notes will not be permitted until such time as the NSX's payment and settlement system allows for split payment of amounts which are due and payable in respect of such Notes to each of such joint (or multiple) registered Noteholders.

4.1.3. Title to Notes represented by an Individual Certificate will pass upon registration of transfer in the Register in accordance with Condition 14.2.

4.2. Notes issued in uncertificated form

The CSD's Nominee will be listed in the Register as the registered holder of Notes which are issued in uncertificated form and held in the CSD.

4.3. Beneficial Interests in Notes held in the CSD

4.3.1. While a Tranche of Notes is held in its entirety in the CSD, the CSD's Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche.

4.3.2. All amounts to be paid and all rights to be exercised in respect of the Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.

4.3.3. In relation to each person shown in the records of the CSD or the relevant CSD Participant, as the case may be, as the holder of a Beneficial Interest in a particular aggregate Outstanding Principal Amount of Notes, a certificate or other document issued by the CSD or the relevant CSD Participant, as the case may be, as to the aggregate Outstanding Principal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered holder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, each Transfer Agent and the relevant CSD Participant as the holder of that aggregate Outstanding Principal Amount of such Notes for all purposes.

4.3.4. Beneficial Interests which are held by CSD Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such CSD Participants, through the central securities accounts maintained by the CSD for such CSD Participants. Beneficial Interests which are held by clients of CSD Participants will be held indirectly through such CSD Participants, and such CSD Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such CSD Participants for such clients. The clients of CSD Participants may include the holders of Beneficial Interests or their custodians.

4.3.5. The clients of CSD Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their CSD Participants. Branches or agents of CSD Participants in Namibia may hold Notes through such CSD Participants. Euroclear and Clearstream may hold Notes through their CSD Participant.

4.3.6. Title to Beneficial Interests held by CSD Participants directly through the CSD will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such CSD Participants, in accordance with the Applicable Procedures (as contemplated in Condition 14.1). Title to Beneficial Interests held by clients of CSD Participants indirectly through such CSD Participants will pass on transfer thereof by electronic book entry in the securities accounts maintained by such CSD Participants for such clients, in accordance with the Applicable Procedures (as contemplated in Condition 14.1).

4.4. Register

The Issuer, the Paying Agent and each Transfer Agent will recognise a Noteholder named in the Register, as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes, and neither the Issuer nor either Transfer Agent shall be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.

5. STATUS

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* amongst themselves and, subject to Condition 6 and save for certain debts accorded preferential rights by law, at least *pari passu* with all other present and future unsecured unsubordinated obligations of the Issuer.

6. NEGATIVE PLEDGE

6.1. For as long as any of the Notes remain outstanding the Issuer will not (and will procure that each Affected Subsidiary will not) create or permit the creation of Encumbrance(s) in aggregate, at any point in time, over the whole, or in excess of, or equal to, any Substantial Part, of its business, undertaking or assets, present or future, to secure any Indebtedness without at the same time securing the Notes equally and rateably with such Indebtedness or such other security for the Notes is provided as is approved by a Special Resolution of the Noteholders.

6.2. The restrictions under Condition 6.1 shall not apply to:

- 6.2.1. any Encumbrance existing at 20 June 2007 (being the Programme Date of the Previous Programme Memorandum); or
- 6.2.2. any Encumbrance created over property, at the time of purchase thereof, solely as security for the payment of all or part of the purchase price of such property; provided that the relevant Indebtedness thereby secured does not exceed such purchase price; or
- 6.2.3. any Encumbrance arising by operation of law; or
- 6.2.4. any statutory Encumbrance; or
- 6.2.5. any Encumbrance created in the ordinary course of trading of the Issuer or an Affected Subsidiary; or
- 6.2.6. any Encumbrance created over or affecting any asset of any company which becomes an Affected Subsidiary after the Programme Date where the Encumbrance is created prior to the date on which that company became an Affected Subsidiary; or
- 6.2.7. any Encumbrance over or affecting any asset owned, acquired, developed or constructed by the Issuer or an Affected Subsidiary after 20 June 2007 (being the Programme Date of the Previous Programme Memorandum) if the Encumbrance was created solely for the purpose of financing or refinancing that asset by the Issuer or that Affected Subsidiary; provided that the Indebtedness so secured shall not exceed the *bona fide* market value (on or about the date of creation of the Encumbrance) of that asset or the cost of the acquisition, development or construction of that asset by the Issuer or that Affected Subsidiary (including all interest and other finance charges, adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise); or
- 6.2.8. any Encumbrance creating real rights of security (including, without limitation, any mortgage, cession of rights, charge, pledge, lien and/or similar arrangement) created by or on behalf of a Project Subsidiary, over or affecting the whole or any part of the business and/or undertaking and/or assets, present or future, of that Project Subsidiary to secure any Indebtedness (and/or any other obligation) incurred by or on behalf of that Project Subsidiary in respect of or in relation to a Project;
- 6.2.9. any Encumbrance creating personal rights of security (including, without limitation, any guarantee, suretyship, indemnity or similar arrangement) given by or on behalf of the Issuer to secure any Indebtedness (and/or any other obligation) incurred by or on behalf of any Group Company (including, for the avoidance of doubt, any Project Subsidiary);
- 6.2.10. any extension or renewal of any Encumbrance contemplated in Conditions 6.2.1 to 6.2.9 inclusive.

6.3. For purposes of this Condition 6:

- 6.3.1. "**Affected Subsidiary**" means each Group Company which represents more than 10% of the total assets of the Issuer, as reflected in the Issuer's most recent audited annual financial statements;
- 6.3.2. "**Encumbrance**" means (subject to Condition 6.2.9) any mortgage, cession of rights, charge, pledge, lien or other arrangement creating real rights of security and (subject to Condition 6.2.8) any guarantee, suretyship or other arrangement creating personal rights of security;
- 6.3.3. "**Financing and Contracting Agreements**" means one or more agreements (whether present or future), in whatever form:
 - 6.3.3.1. entered into by (i) any Project Subsidiary(ies) as borrowers(s), on a normal project finance basis in the ordinary course of the business of such Project Subsidiary(ies), and (ii) one or more other parties as lender(s), pursuant to which the lender(s) agree to lend moneys to the borrower(s) for purposes of financing all or any portion of a Project; and/or
 - 6.3.3.2. entered into by (i) any Project Subsidiary(ies), in the ordinary course of the business of such Project Subsidiary(ies), and (ii) one or more contractor(s) (including, without limitation, power purchasers, engineering, procurement and construction contractors, operations and maintenance contractors and fuel suppliers), pursuant to which the contractor(s) agree to provide services to such Project Subsidiary(ies) in respect of a Project; and/or

- 6.3.3.3. entered into by the Issuer in support of the Project Subsidiary to obtain financing for the Project or to ensure that the Project is realized including, without limitation, escrow account arrangements in the name of the Project Subsidiary (or in the name of the Issuer, but designated as a special account relating to the revenues and expenditure of a Project Subsidiary), which from time to time contains cash of the Issuer equivalent to amounts then owed by the Issuer to such Project Subsidiary, but not other cash of the Issuer;
- 6.3.4. **"Indebtedness"** means any indebtedness in respect of moneys borrowed, and any guarantees and/or suretyships and/or indemnities given in respect of moneys borrowed, whether present or future, actual or contingent;
- 6.3.5. **"Project"** means any project and/or arrangement (whether in existence or to be created in future) that has as its aim establishing, acquiring and holding a discrete set of electricity, energy or infrastructure assets, having its own separate legal identity, to construct, develop, operate and maintain the assets in terms of Financing and Contracting Agreements;
- 6.3.6. **"Project Subsidiary"** means any Affected Subsidiary which, before, on or after the Programme Date, is formed as a special purpose vehicle solely for the purpose of one or more Projects, it being recorded that financing for the Project Subsidiary is or will be obtained by means of debt and/or equity, and that the financial repayment obligations of the Project Subsidiary are not met from the balance sheet or general assets of the Issuer or any Group Company, except with respect to any guarantee and/or suretyship and/or indemnity given by the Issuer as contemplated in Condition 6.2.9;
- 6.3.7. **"Substantial Part"** means:
- 6.3.7.1. in relation to the Issuer, an aggregate amount equal to or greater than 10% of the aggregate value of the fixed assets and current assets of the Issuer, such value and such assets being determined by reference to the then most recent audited balance sheet of the Issuer and, in this regard, a report by the auditors of the Issuer that, in their opinion, (i) the amounts shown in a certificate provided by the Issuer (showing the fixed assets and current assets of the relevant part and those fixed assets and current assets expressed as a percentage of the fixed assets and current assets of the Issuer) have been correctly extracted from the accounting records of the Issuer, and (ii) the percentage of the fixed assets and current assets of that part to the fixed assets and current assets of the Issuer has been correctly calculated shall, in the absence of manifest error, be *prima facie* evidence of the matters to which it relates;
- 6.3.7.2. in relation to an Affected Subsidiary, an aggregate amount equal to or greater than 10% of the aggregate value of the fixed assets and current assets of that Affected Subsidiary, such value and such assets being determined by reference to the then most recent audited consolidated balance sheet of that Affected Subsidiary and, in this regard, a report by the auditors of the Issuer that, in their opinion, (i) the amounts shown in a certificate provided by the Issuer (showing the fixed assets and current assets of the relevant part and those fixed assets and current assets expressed as a percentage of the fixed assets and current assets of that Affected Subsidiary) have been correctly extracted from the accounting records of that Affected Subsidiary, and (ii) the percentage of the fixed assets and current assets of that part to the fixed assets and current assets of that Affected Subsidiary has been correctly calculated shall, in the absence of manifest error, be *prima facie* evidence of the matters to which it relates.

7. REDEMPTION AND PURCHASES

7.1. Redemption on the Final Maturity Date

Subject to the Applicable Terms and Conditions, the Issuer will redeem each Note in a Tranche of Notes, on the Final Maturity Date, at its Redemption Amount together (where applicable) with interest accrued to the Final Maturity Date.

7.2. Optional redemption on the Optional Maturity Date

Subject to the Applicable Terms and Conditions and if, in relation to a Tranche of Notes, so specified in the Applicable Pricing Supplement, the Issuer may at its option, having given not less than 30 (thirty) days' notice to the Transfer Agents, the Calculation Agent, the Paying Agent and the relevant Noteholders (in the manner set out in Condition 19.1), redeem each Note in that Tranche, on the Optional Redemption Date, at its Redemption Amount together (where applicable) with interest accrued to the Optional Redemption Date.

7.3. Optional redemption for change in Applicable Law

- 7.3.1. The Issuer may at its option, having given not less than 30 (thirty) days' notice to the Transfer Agents, the Calculation Agent, the Paying Agent and the relevant Noteholders (in the manner set out in Condition 19.1), redeem each Note in a Tranche of Notes, on the Early Redemption Date (which Early Redemption Date shall be stipulated in such notice), at its Redemption Amount together (where applicable) with interest accrued to the Early Redemption Date, if the Issuer, prior to the giving of such notice, has been provided with a legal opinion from a reputable firm of lawyers in (as applicable) South Africa or Namibia to the effect that there is a substantial likelihood that as a result of any implementation, abolition or change in (including the introduction of any new law or regulation) to or of any Applicable Law or any change in any interpretation or administration of any Applicable Law, or any compliance with any new or different governmental or administrative request or direction (in either case, whether or not having the force of law), which implementation, abolition, change or compliance becomes effective on or after the Issue Date of that Tranche or any earlier date specified for this purpose in the Applicable Pricing Supplement:
- 7.3.1.1. the ability of the Issuer to comply with its obligations under the Applicable Terms and Conditions will be adversely affected; and/or
- 7.3.1.2. the validity or enforceability of the Applicable Terms and Conditions will be adversely affected; and/or

- 7.3.1.3. the economic returns to the Issuer under the Programme will be materially adversely affected.
- 7.3.2. From the date of publication of the notice of redemption referred to in Condition 7.3.1, the Issuer shall make available at its Specified Office, for inspection by any holder of Notes to be redeemed pursuant to such notice:
 - 7.3.2.1. a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to effect such redemption have occurred;
 - 7.3.2.2. a copy of the legal opinion referred to in Condition 7.3.1.

7.4. Optional redemption following a Change of Control

- 7.4.1. If at any time while any of the Notes remain outstanding a Change of Control occurs and a Negative Rating Event in respect of the Change of Control occurs within the Change of Control Period, the Issuer shall redeem each Note in each Tranche of Notes, on the Early Redemption Date, at its Redemption Amount together (where applicable) with interest accrued to the Early Redemption Date, if (and only if):
 - 7.4.1.1. within 30 (thirty) days of the date on which the Negative Rating Event occurs, Noteholders convene a meeting of all of the Noteholders *mutatis mutandis* in accordance with the provisions of Conditions 24.4 and 24.5; and
 - 7.4.1.2. at the meeting of Noteholders contemplated in Condition 7.4.1.1, the Issuer is instructed to so redeem the Notes by a Special Resolution of the Noteholders.
- 7.4.2. The Issuer shall, forthwith after becoming obliged to redeem each Note in each Tranche of Notes in terms of Condition 7.4.1, give notice of such redemption to the Transfer Agents, the Calculation Agent and the Paying Agent.
- 7.4.3. For purposes of this Condition 7.4:
 - 7.4.3.1. "**Change of Control**" means any event which results in the Government of Namibia beneficially holding less than such number of shares in the share capital of the Issuer as confer on the Government of Namibia at least one half (plus one) of the voting rights attached to all of the shares in the share capital of the Issuer;
 - 7.4.3.2. "**Change of Control Period**" means the period commencing on the date on which the Change of Control is publicly announced and ending 90 (ninety) Business Days thereafter;
 - 7.4.3.3. "**Early Redemption Date**" means, if the Issuer becomes obliged to redeem each Note in each Tranche of Notes in terms of Condition 7.4.1, 5 (five) Business Days following the date on which the Special Resolution referred to in Condition 7.4.1.2 is passed by the Noteholders;
 - 7.4.3.4. "**Negative Rating Event**" means the withdrawal of the Issuer's credit rating and/or a Note Rating by the Rating Agency, or the downgrading of the Issuer's credit rating and/or a Note Rating below (or further below) an investment grade rating on a national rating scale by the Rating Agency, as the case may be, within the Change of Control Period;
 - 7.4.3.5. "**Note Rating**" means the rating of a Tranche of Notes granted by the Rating Agency as amended, restated and/or supplemented from time to time by that Rating Agency;
 - 7.4.3.6. "**Rating Agency**" means Fitch and its successors or an internationally recognised rating agency of equivalent international standing appointed from time to time by the Issuer.

7.5. Mandatory redemption following an Event of Default

Where, following an Event of Default, any Notes have been declared by the holder of such Notes to be immediately due and payable pursuant to Condition 13.2.2, each such Note (whether or not due for payment) shall become immediately due and payable at its Redemption Amount together (where applicable) with interest accrued to the Acceleration Date (as defined in Condition 13.2.2), subject to and in accordance with Condition 13.

7.6. Calculation of Early Redemption Amount

- 7.6.1. *Zero Coupon Notes*
 - 7.6.1.1. Each Zero Coupon Note in a Tranche of Zero Coupon Notes which is redeemed pursuant to Condition 7.2, Condition 7.3, Condition 7.4 or Condition 7.5 (as read with Condition 13), as the case may be, will be redeemed at its Early Redemption Amount calculated (unless otherwise specified in the Applicable Pricing Supplement) as follows:

$$ERA = IP + \left(\frac{IY}{DM} \times IP \times D \right)$$

where:

ERA	=	the Early Redemption Amount;
IP	=	the Issue Price;
IY	=	the Implied Yield;
D	=	the number of days elapsing between the Issue Date and the Relevant Date (excluding the Issue Date and the Relevant Date);
DM	=	the number of days elapsing between the Issue Date and the Final Maturity Date (excluding the Issue Date and the Final Maturity Date).

- 7.6.1.2. For purposes of Condition 7.6.1.1 "**Relevant Date**" means, in relation to a Tranche of Zero Coupon Notes:
- 7.6.1.2.1. in the case of the redemption of that Tranche pursuant to Condition 7.2 (where applicable), the Optional Redemption Date;
- 7.6.1.2.2. in the case of the redemption of that Tranche pursuant to Condition 7.3, the Early Redemption Date stipulated in the notice contemplated in Condition 7.3;
- 7.6.1.2.3. in the case of the redemption of that Tranche pursuant to Condition 7.4, the Early Redemption Date defined as such in Condition 7.4.3.3;
- 7.6.1.2.4. in the case of the redemption of that Tranche of Notes pursuant to Condition 13.2 (as contemplated in Condition 7.5), the Acceleration Date (as defined in Condition 13.2.2).
- 7.6.1.3. Where any calculation is to be made in terms of this Condition 7.6.1 for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365 (three hundred and sixty five), or such other calculation basis as may be specified in the Applicable Pricing Supplement.

7.6.2. *Index-Linked Notes and other Notes*

The Applicable Pricing Supplement relating to a Tranche of Index-Linked Notes (or any other Tranche of Notes not specifically provided for in the Terms and Conditions) will set out, among other things, the Early Redemption Amount (or the manner of calculating the Early Redemption Amount) of each such Index-Linked (or other) Note which is redeemed pursuant to Condition 7.2, Condition 7.3, Condition 7.4 or Condition 7.5, as the case may be.

7.7. **Purchases**

The Issuer and any Group Company may at any time purchase Notes at any price in the open market or otherwise. In the event of the Issuer purchasing Notes, such Notes may (subject to the restrictions of any Applicable Law) be held, resold or, at the option of the Issuer, cancelled. Notes purchased by any Group Company may be held or resold or cancelled.

7.8. **Cancellation**

All Notes which are redeemed or purchased by the Issuer and, at the option of the Issuer, cancelled (as contemplated in Condition 7.7) will forthwith be cancelled and may not be re-issued or resold. Each Individual Certificate (if any) representing any Notes so purchased or redeemed, as the case may be, shall be forwarded to the Transfer Agent for the Programme in Namibia for cancellation. The Transfer Agent for the Programme in Johannesburg shall, in respect of a Tranche of Notes which is listed (i) on the Interest Rate Market of the JSE or (ii) on the Interest Rate Market of the JSE and the NSX, as the case may be, notify (i) the CSD and the JSE or (ii) the CSD, the JSE and the NSX, as the case may be, of any cancellation, partial redemption or redemption of Notes in that Tranche so that such entities can record the reduction in the aggregate Outstanding Principal Amount of the Notes in issue. Where only a portion of the Notes represented by an Individual Certificate is redeemed, the Transfer Agent for the Programme in Namibia shall deliver a new Individual Certificate to the holder of such Notes representing the balance of such Notes, as contemplated in Condition 14.2.

7.9. **Applicable Procedures**

The redemption of Beneficial Interests shall take place in accordance with the South African Financial Markets Act and the relevant Applicable Procedures.

8. **INTEREST**

8.1. **Fixed Rate Notes**

- 8.1.1. Each Fixed Rate Note in a Tranche will bear interest on its Outstanding Principal Amount at the Fixed Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Interest Commencement Date to (but excluding) the Applicable Maturity Date.
- 8.1.2. If a Tranche of Fixed Rate Notes in respect of which Condition 7.2 is applicable (as specified in the Applicable Pricing Supplement) is not redeemed in full on or before the Optional Maturity Date then, unless otherwise specified in the Applicable Pricing Supplement, each Fixed Rate Note in that Tranche will bear interest on its Outstanding Principal Amount at the increased Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Optional Maturity Date to (but excluding) the Applicable Maturity Date.

- 8.1.3. The interest due on a Tranche of Fixed Rate Notes in respect of an Interest Period will be payable in arrear on the Interest Payment Date in respect of that Interest Period. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 11.5 shall determine the date of payment of interest due upon that Interest Payment Date; provided that for the purposes of determining an Interest Period, no such adjustment will be made to an Interest Payment Date.
- 8.1.4. The interest payable on each Fixed Rate Note in a Tranche in respect of any six-monthly Interest Period shall, unless otherwise specified in the Applicable Pricing Supplement, be calculated by dividing the Fixed Interest Rate by two and multiplying the product by the Outstanding Principal Amount, provided that:
- 8.1.4.1. if an Initial Broken Amount is specified in that Applicable Pricing Supplement, the first Interest Amount shall equal that Initial Broken Amount; and
- 8.1.4.2. if a Final Broken Amount is specified in that Applicable Pricing Supplement, the final Interest Amount shall equal that Final Broken Amount.
- 8.1.5. Save as provided in the preceding paragraphs of this Condition 8.1, if interest on a Tranche of Fixed Rate Notes is required to be calculated for a period of other than one year (in the case of annual interest payments) or other than six months (in the case of semi-annual interest payments), as the case may be, such interest shall (unless otherwise specified in the Applicable Pricing Supplement) be calculated on the basis of the actual number of days in such period divided by 365 (three hundred and sixty five).
- 8.2. Floating Rate Notes**
- 8.2.1. Each Floating Rate Note in a Tranche will bear interest on its Outstanding Principal Amount at the Floating Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Interest Commencement Date to (but excluding) the Applicable Maturity Date.
- 8.2.2. If a Tranche of Floating Rate Notes in respect of which Condition 7.2 is applicable (as specified in the Applicable Pricing Supplement) is not redeemed in full on or before the Optional Maturity Date then, unless otherwise specified in the Applicable Pricing Supplement, each Floating Rate Note in that Tranche will bear interest on its Outstanding Principal Amount at the increased Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Optional Maturity Date to (but excluding) the Applicable Maturity Date.
- 8.2.3. The interest due on a Tranche of Floating Rate Notes in respect of an Interest Period will be payable in arrear on the Interest Payment Date in respect of that Interest Period. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 11.5 shall determine the date of payment of interest due upon that Interest Payment Date; provided that for the purposes of determining an Interest Period, no such adjustment will be made to an Interest Payment Date.
- 8.2.4. The Floating Interest Rate applicable from time to time to each Floating Rate Note in a Tranche will be determined (and specified in the Applicable Pricing Supplement):
- 8.2.4.1. on the basis of ISDA Determination; or
- 8.2.4.2. on the basis of Screen Rate Determination; or
- 8.2.4.3. on such other basis as may be determined by the Issuer and specified in the Applicable Pricing Supplement.
- 8.2.5. If the Applicable Pricing Supplement specifies a Minimum Interest Rate for any Interest Period, the Floating Interest Rate for that Interest Period shall not be less than that Minimum Interest Rate. If the Applicable Pricing Supplement specifies a Maximum Interest Rate for any Interest Period, the Floating Interest Rate for that Interest Period shall not be greater than that Maximum Interest Rate.
- 8.2.6. The Calculation Agent will, on each Rate Determination Date, (i) determine the Floating Interest Rate applicable to the relevant Tranche of Floating Rate Notes for the Interest Period commencing on that Rate Determination Date and (ii) calculate the Interest Amount payable in respect of each Floating Rate Note in that Tranche for that Interest Period, as contemplated in Condition 10.1. Unless otherwise specified in the Applicable Pricing Supplement, the Interest Amount in respect of a Floating Rate Note will be determined by multiplying the Floating Interest Rate applicable to the relevant Tranche of Floating Rate Notes by the Outstanding Principal Amount of that Floating Rate Note, then multiplying the product by the applicable Day Count Fraction and rounding the resultant product to the nearest cent, half a cent being rounded upwards.
- 8.2.6.1. *ISDA Determination*
- 8.2.6.1.1. Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Floating Interest Rate is to be determined, the Floating Interest Rate for each Interest Period will be the relevant ISDA Rate plus or minus (as specified in the Applicable Pricing Supplement) the Margin (if any).
- 8.2.6.1.2. For the purposes of this Condition 8.2.6.1, "ISDA Rate" for an Interest Period means a rate equal to the Floating Interest Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under a notional interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- a) the Floating Rate Option is as specified in the Applicable Pricing Supplement;

- b) the Designated Maturity is the period specified in the Applicable Pricing Supplement; and
- c) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the JIBAR Rate, the first day of that Interest Period or (ii) in any other case, as specified in the Applicable Pricing Supplement.

8.2.6.1.3. For the purposes of this Condition 8.2.6.1, "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" shall have the meanings given to those expressions in the ISDA Definitions. Other expressions used in this Condition 8.2.6.1 or in the Applicable Pricing Supplement (where ISDA Determination is specified) not expressly defined shall bear the meaning given to those expressions in the ISDA Definitions.

8.2.6.1.4. Where this Condition 8.2.6.1 is applicable, the Calculation Agent will, in respect of each Interest Period, be deemed to have discharged its obligations under Condition 8.2.6 in respect of the determination of the Floating Interest Rate if it has determined the Floating Interest Rate in respect of such Interest Period in the manner provided in this Condition 8.2.6.1.

8.2.6.2. *Screen Rate Determination*

8.2.6.2.1. Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Floating Interest Rate is to be determined, the Floating Interest Rate for each Interest Period will, subject as provided below, be either:

- a) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- b) the arithmetic means (rounded if necessary to the fifth decimal place, with 0,00005 being rounded upwards) of the offered quotations,

for the Reference Rate(s) which appear(s) on the Relevant Screen Page at or about 12h00 (South African time) on the Rate Determination Date, plus or minus (as specified in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

8.2.6.2.2. If five or more such offered quotations are available on the Relevant Screen Page the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

8.2.6.2.3. If the Relevant Screen Page is not available or if, in the case of Condition 8.2.6.2.1 (a) above, no such offered quotation appears or, in the case of Condition 8.2.6.2.1 (b) above, fewer than three such offered quotations appear, in each case at the time specified in the aforementioned Condition, the Calculation Agent shall request the principal office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 (South African time) on the Rate Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Floating Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0,00005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

8.2.6.2.4. If the Floating Interest Rate cannot be determined by applying the provisions of Condition 8.2.6.2.1 to Condition 8.2.6.2.3 inclusive, the Floating Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0,00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks (or any two or more of them), at which such banks offered, at approximately 12h00 (South African time) on the relevant Rate Determination Date, in respect of deposits in an amount approximately equal to the aggregate Outstanding Principal Amount of the relevant Tranche of Floating Rate Notes, for a period equal to that which would have been used for the Reference Rate, to Reference Banks in (as applicable) the South African or Namibian inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Floating Interest Rate for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the aggregate Outstanding Principal Amount of the relevant Tranche of Floating Rate Notes, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 12h00 (South African time) on the relevant Rate Determination Date, by four leading banks in (as applicable) South Africa or Namibia (selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any). If the Floating Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 8.2.6.2.4, the Floating Interest Rate shall be determined as at the last preceding Rate Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the immediately preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to the immediately preceding Interest Period).

8.2.6.2.5. If the Reference Rate is specified in the Applicable Pricing Supplement as being other than the JIBAR Rate or the WIBAR Rate, the Floating Interest Rate in respect of the relevant Tranche of Floating Rate Notes will be determined in the manner provided in the Applicable Pricing Supplement.

8.3. Mixed Rate Notes

- 8.3.1. Each Mixed Rate Note in a Tranche will bear interest on its Outstanding Principal Amount at (i) the Fixed Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement (during the Interest Period(s) in respect of which the Interest Rate is a Fixed Interest Rate) or (ii) the Floating Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement (during the Interest Period(s) in respect of which the Interest Rate is a Floating Interest Rate), as the case may be, for the period from (and including) the Interest Commencement Date to (but excluding) the Applicable Maturity Date.
- 8.3.2. If a Tranche of Mixed Rate Notes in respect of which Condition 7.2 is applicable (as specified in the Applicable Pricing Supplement) is not redeemed in full on or before the Optional Maturity Date then, unless otherwise specified in the Applicable Pricing Supplement, each Fixed Rate Note in that Tranche will bear interest on its Outstanding Principal Amount at the increased Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Optional Maturity Date to (but excluding) the Applicable Maturity Date.
- 8.3.3. Each Mixed Rate Note will bear interest at (i) a Fixed Interest Rate for such Interest Period(s) as is/are specified for this purpose in the Applicable Pricing Supplement and (ii) a Floating Interest Rate for such Interest Period(s) as is/are specified for this purpose in the Applicable Pricing Supplement.
- 8.3.4. A Tranche of Mixed Rate Notes shall (i) for the Interest Period(s) during which that Tranche bears interest at a Fixed Interest Rate, be construed for all purposes as a Tranche of Fixed Rate Notes and (ii) for the Interest Period(s) during which that Tranche bears interest at a Floating Interest Rate, be construed for all purposes as a Tranche of Floating Rate Notes.

8.4. Index-Linked Notes and Other Notes

The Applicable Pricing Supplement relating to a Tranche of Index-Linked Notes (or any other Tranche of Notes not specifically provided for in the Terms and Conditions) will set out, among other things, the manner in which the interest and/or other amounts payable in respect of that Tranche are to be calculated, the Interest and/or other Payment Commencement Date, the Interest and/or other Payment Date(s), the Interest and/or other Payment Period(s), and the manner in which the increased interest and/or other amounts payable in respect of that Tranche (if applicable) are to be calculated.

9. LATE PAYMENT

9.1. Interest-bearing Notes

Each interest-bearing Note will cease to bear interest from the Applicable Maturity Date. If payment of any amount due and payable in respect of a Tranche of interest-bearing Notes is not paid to the holders of such Notes on or before the due date for payment thereof, interest will continue to accrue on the unpaid amount in respect of such Notes, at the Fixed Rate or the Floating Rate, as the case may be, applicable to such Notes on such due date for payment, from and including such due date for payment to but excluding the Actual Redemption Date.

9.2. Zero Coupon Notes

- 9.2.1. If the principal, or any portion thereof, due and payable in respect of any Zero Coupon Note on the Applicable Maturity Date is improperly withheld or refused, that Zero Coupon Note will be redeemed at its Late Redemption Amount calculated (unless otherwise stated in the Applicable Pricing Supplement) as follows:

$$LRA = IP + \left(\frac{IY}{DM} \times IP \times D \right)$$

where:

- LRA** = the Late Redemption Amount;
- IP** = the Issue Price;
- IY** = the Implied Yield;
- D** = the number of days elapsing between the Issue Date and the Actual Redemption Date (excluding the Issue Date and the Actual Redemption Date);
- DM** = the number of days elapsing between the Issue Date and the Applicable Maturity Date (excluding the Issue Date and the Applicable Maturity Date).

- 9.2.2. Where any calculation is to be made in terms of this Condition 9.2 for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365 (three hundred and sixty five), or such other calculation basis as may be specified in the Applicable Pricing Supplement.

9.3. Index-Linked Notes and Other Notes

The Applicable Pricing Supplement relating to a Tranche of Index-Linked Notes (or any other Tranche of Notes not specifically provided for in the Terms and Conditions) will set out, among other things, the provisions (if any) which will apply where payment of any amount due and payable in respect of the Notes in that Tranche is not paid to the holders of such Notes on or before the due date for payment thereof.

10. CALCULATION AGENT

10.1. Determinations and Notifications

10.1.1. The Calculation Agent will, in accordance with the Terms and Conditions and (where applicable) the relevant Calculation Agency Agreement:

10.1.1.1. on each Rate Determination Date, determine the Floating Interest Rate applicable to a Tranche of Floating Rate Notes for the Interest Period commencing on that Rate Determination Date and, as soon as practicable after that Rate Determination Date, notify the Issuer and the relevant Noteholders (in the manner set out in Condition 19.1) of that Floating Interest Rate and, if the relevant Notes are listed (i) on the Interest Rate Market of the JSE or (ii) on the Interest Rate Market of the JSE and the NSX, as the case may be, notify (i) the JSE and the CSD or (ii) the JSE, the CSD and the NSX, as the case may be, of that Floating Interest Rate as soon as practicable after such determination but in any event not later than 3 (three) Business Days after that Rate Determination Date;

10.1.1.2. calculate the relevant Payment Amount due and payable by the Issuer to the relevant Noteholders on the relevant Payment Date;

10.1.1.3. at least 7 (seven) days before the relevant Payment Date:

10.1.1.3.1. notify the Paying Agent of the relevant Payment Amount and the manner in which the relevant Payment Amount is to be apportioned between and disbursed to the relevant Noteholders;

10.1.1.3.2. notify the Issuer and the relevant Noteholders (in the manner set out in Condition 19.1) of the relevant Payment Amount and, if the relevant Notes are listed (i) on the Interest Rate Market of the JSE or (ii) on the Interest Rate Market of the JSE and the NSX, as the case may be, notify (i) the JSE and the CSD or (ii) the JSE, the CSD and the NSX, as the case may be, of the relevant Payment Amount.

10.1.2. For the purposes of this Condition 10.1:

10.1.2.1. "**relevant Payment Amount**" means, in relation to a Tranche of Notes, the aggregate amount which is due and payable by the Issuer to the relevant Noteholders, on the relevant Payment Date, pursuant to the Applicable Terms and Conditions;

10.1.2.2. "**relevant Payment Date**" means, in relation to a Tranche of Notes, the Applicable Maturity Date and (where applicable) each Interest Payment Date or (in relation to a Tranche of Index-Linked Notes or any other Tranche of Notes not specifically provided for in the Terms and Conditions), each payment date specified as such in the Applicable Pricing Supplement, as the case may be.

10.2. Certificates of determinations, calculations and quotations

Any certificate or other document issued by a Reference Bank or the Calculation Agent, as the case may be, as to the amount of any determination, calculation and/or quotation made or obtained by such Reference Bank or the Calculation Agent, as the case may be, for the purposes of the Terms and Conditions, shall be *prima facie* proof of such amount.

10.3. Failure to make determinations

If the Calculation Agent does not for any reason determine and/or calculate and/or publish any amount, rate or date as provided in the Terms and Conditions, it will forthwith notify the Issuer and the Paying Agent thereof and, if the relevant Notes are listed (i) on the Interest Rate Market of the JSE or (ii) on the Interest Rate Market of the JSE and the NSX, as the case may be, it will forthwith notify (i) the JSE and the CSD or (ii) the JSE, the CSD and the NSX, as the case may be, thereof. Any failure by the Calculation Agent to determine and/or calculate and/or publish any of the foregoing will not affect the Issuer's obligations to pay any amount due in respect of the Notes as and when due.

10.4. Good faith

Whenever the Calculation Agent is required to act or to exercise judgment pursuant to the Calculation Agency Agreement and the Terms and Conditions, it will do so in good faith and in a commercially reasonable manner.

11. PAYMENTS

11.1. General

11.1.1. Only Noteholders named in the Register at 17h00 (South African time) on the relevant Last Day to Register shall be entitled to payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of such Notes.

11.1.2. All payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Paying Agent, on behalf of the Issuer, on the terms and conditions of the Paying Agency Agreement and this Condition 11. The Issuer shall not be responsible for the loss in transmission of any funds paid by the Paying Agent to the Noteholders, and payment of any amount by the Issuer to the Paying Agent (into such separate bank account of the Issuer held with the Paying Agent for the Notes as is agreed in writing between the Issuer and the Paying Agent from time to time) in accordance with the Paying Agency Agreement, shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the Noteholders under the Notes, the Applicable Terms and Conditions and the Paying Agency Agreement.

11.1.3. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, subject to Condition 12.

- 11.1.4. Any reference in the Terms and Conditions to any amounts in respect of any Notes shall be deemed also to refer to any additional amounts which may be payable under the Terms and Conditions or under any undertakings given in addition to, or in substitution for, the Terms and Conditions.

11.2. Method of payment

The Paying Agent will, on behalf of the Issuer, pay all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes:

- 11.2.1. in the case of Notes which are held in the CSD, in immediately available and freely transferable funds, in the Specified Currency (subject to the Namibian Exchange Control Regulations or the South African Exchange Control Regulations, as applicable) by electronic funds transfer to the bank account of the CSD's Nominee, as the registered holder of such Notes, which in turn will transfer such funds, via the CSD Participants, to the holders of Beneficial Interests in such Notes;
- 11.2.2. in the case of Notes which are represented by an Individual Certificate, in immediately available and freely transferable funds, in the Specified Currency (subject to the Namibian Exchange Control Regulations or the South African Exchange Control Regulations, as applicable) by electronic funds transfer, to the bank account of the person named as the registered holder of such Notes in the Register or, in the case of joint registered Noteholders (subject to Condition 4.1.2), the bank account of the first one of them named in the Register in respect of such Notes.

11.3. Beneficial Interests

- 11.3.1. Following payment to the CSD's Nominee of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of Notes which are held in the CSD pursuant to Condition 11.2.1, the relevant funds will be transferred by the CSD's Nominee, via the CSD Participants, to the holders of Beneficial Interests in such Notes.
- 11.3.2. Each of the persons reflected in the records of the CSD or the relevant CSD Participant, as the case may be, as the holders of Beneficial Interests in Notes, will look solely to the CSD or the relevant CSD Participant, as the case may be, for such person's share of each payment so made by the Paying Agent, on behalf of the Issuer, to or for the order of the CSD's Nominee, as the registered holder of such Notes.
- 11.3.3. Neither the Paying Agent nor the Issuer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests or for maintaining, supervising or reviewing any records relating to Beneficial Interests.
- 11.3.4. Payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of Beneficial Interests in Notes will be recorded by the CSD's Nominee, as the registered holder of such Notes, distinguishing between interest, principal and any other amount, and such record of payments by the CSD's Nominee, as the registered holder of such Notes, will be *prima facie* proof of such payments.

11.4. Payments by cheque

- 11.4.1. If the Paying Agent, on behalf of the Issuer, is prevented or restricted directly or indirectly from making any payment in respect of a Tranche of Notes by electronic funds transfer in accordance with the preceding paragraphs of this Condition 11 (whether by reason of strike, lock-out, fire, explosion, flood, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or other disturbance, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Paying Agent) such inability to make payment will not constitute an Event of Default and the Paying Agent, on behalf of the Issuer, shall be entitled (subject to Applicable Laws and banking practice) to make such payment by cheque (or by such number of cheques as may be required in accordance with Applicable Laws and banking practice).
- 11.4.2. All moneys so payable by cheque shall, promptly after the Paying Agent is so prevented or restricted from making payment by electronic funds transfer (as contemplated in Condition 11.4.1), be sent by post, at the risk of the relevant Noteholder (unless otherwise requested by the relevant Noteholder by notice in writing to the Issuer) to the address of the holder of such Notes set forth in the Register or, in the case of joint holders of such Notes (subject to Condition 4.1.2), the address set forth in the Register of the first one of them named in the Register in respect of such Notes.
- 11.4.3. Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint holders of Notes (subject to Condition 4.1.2), the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer nor the Paying Agent shall be responsible for any loss, including without limitation any loss due to theft or fraud, in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 11.4.
- 11.4.4. Payment by cheque sent in terms of this Condition 11.4 shall be a complete discharge by the Issuer of its obligations in respect of the amount of the cheque.

11.5. Payment Date

Notwithstanding anything to the contrary contained in the Terms and Conditions, if the date for payment of any amount (whether in respect of principal, interest or otherwise) due and payable in respect of a Tranche of Notes is not a Business Day, then:

- 11.5.1. if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day;

- 11.5.2. if a Business Day Convention is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day Convention,

and the holders of such Notes will not be entitled to further interest or other payments in respect of any such delay.

11.6. Surrender of Individual Certificates

- 11.6.1. Payments of principal due and payable in respect of any Notes which are represented by Individual Certificate(s) shall be made to the Noteholders of such Notes only if, before the Applicable Maturity Date, such Individual Certificate(s) shall have been surrendered for cancellation at the Specified Office of the Transfer Agent for the Programme in Namibia.
- 11.6.2. If the relevant Individual Certificate is not surrendered for cancellation at the Specified Office of the Transfer Agent for the Programme in Namibia in accordance with Condition 11.6.1, the amount of principal payable to the Noteholder of the Notes represented by that Individual Certificate shall be retained by the Paying Agent for such Noteholder, at the latter's risk, until that Individual Certificate shall have been surrendered to the Transfer Agent for the Programme in Namibia (at its Specified Office), and such Noteholder will not be entitled to any interest and/or other payments in respect of any delay in payment occasioned as a result of such failure to surrender such Individual Certificate.
- 11.6.3. All documents and Individual Certificates which are required to be presented and/or surrendered to the Transfer Agent for the Programme in Namibia in accordance with the Terms and Conditions must be so presented and/or surrendered at the Specified Office of the Transfer Agent for the Programme in Namibia.

12. TAXATION

- 12.1. All payments (whether in respect of principal, interest or otherwise) in respect of a Tranche of Notes will be made without withholding or deduction for or on account of any Taxes, unless such withholding or deduction is required by Applicable Law.
- 12.2. The payment of any Taxes by the Issuer as an agent or representative taxpayer for a Noteholder shall not constitute a withholding or deduction for the purposes of this Condition 12.
- 12.3. If any such withholding or deduction is required to be made by Applicable Law in respect of Taxes imposed or levied on any payments (whether in respect of principal, interest or otherwise) in respect of any Notes in a Tranche, the Issuer will make such payments after such withholding or deduction has been made and will account to the relevant Taxation authorities for the amount so required to be withheld or deducted. The Issuer will not be obliged to make any additional payments to any Noteholder in respect of such withholding or deduction.

13. EVENTS OF DEFAULT

13.1. Events of Default

- 13.1.1. An Event of Default will occur if any one or more of the following events or circumstances shall have occurred:
- 13.1.1.1. the Issuer fails to pay any amount (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes on the due date for payment of such amount and such failure to pay has continued for more than 10 (ten) Business Days following the service on the Issuer of a written notice requiring such failure to pay to be remedied; provided that if the Issuer withholds or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of a competent jurisdiction, such failure to pay shall not constitute an Event of Default; or
- 13.1.1.2. the Issuer fails to perform any of its other obligations under the Applicable Terms and Conditions and such failure to perform has continued for more than 30 (thirty) consecutive days following the service on the Issuer of a written notice requiring such failure to perform to be remedied; or
- 13.1.1.3. the Issuer or a Relevant Subsidiary, as the case may be, fails to pay any amount due and payable under any Indebtedness (taking into account any applicable grace period for such payment) and such failure to pay continues for more than 30 (thirty) consecutive days:
- 13.1.1.3.1. provided (and it being recorded for the avoidance of doubt) that any failure to pay any amount under any Indebtedness which failure to pay has been waived and/or condoned by the relevant creditor(s) to whom, in the absence of such waiver and/or condonation, such amount would otherwise have been due and payable, shall not constitute an Event of Default); and
- 13.1.1.3.2. provided further that any failure to pay any amount contemplated in Condition 13.1.1.3.1 shall not constitute an Event of Default if the Issuer or the Relevant Subsidiary, as the case may be, in good faith and on reasonable grounds, institutes proceedings to contest its liability to pay such amount within 30 (thirty) consecutive days of the day on which such amount is purportedly due and payable; provided that if a final decision which is not subject to any appeal has been given or handed down in respect of such proceedings and such decision has been given or handed down against the Issuer or the Relevant Subsidiary, as the case may be, such failure to pay shall, with effect from the date on which such decision is given or handed down, constitute an Event of Default; or
- 13.1.1.4. the Issuer or a Relevant Subsidiary, as the case may be, has any judgment or similar award ("**judgment**") awarded against it and fails to satisfy such judgment within 30 (thirty) days after becoming aware thereof, or:
- 13.1.1.4.1. if such judgment is appealable, fails to appeal against such judgment within the time limits prescribed by law or fails to

- diligently prosecute such appeal thereafter or ultimately fails in such appeal and then fails to satisfy such judgment within 10 (ten) days; and/or
- 13.1.1.4.2. if such judgment is a default judgment, fails to apply for the rescission thereof within the time limits prescribed by law or fails to diligently prosecute such application thereafter or ultimately fails in such application and then fails to satisfy such judgment within 10 (ten) days; and/or
- 13.1.1.4.3. if such judgment is reviewable, fails to initiate proceedings for the review thereof within the time limits prescribed by law or fails to diligently prosecute such proceedings thereafter or ultimately fails in such proceedings and then fails to satisfy such judgment within 10 (ten) days; or
- 13.1.1.5. an application to any competent court or authority is made for the granting of an order for the liquidation, dissolution, winding-up or judicial management of the Issuer or a Relevant Subsidiary, as the case may be, or such order is granted, whether provisionally (and such order is not dismissed or withdrawn within 30 (thirty) days of the grant thereof) or finally, or the placing of the Issuer or a Relevant Subsidiary, as the case may be, under voluntary liquidation or curatorship; provided that no such liquidation, curatorship, dissolution, winding-up or judicial management shall constitute an Event of Default if such liquidation, curatorship, dissolution, winding-up or judicial management is for purposes of effecting a merger, amalgamation, demerger, consolidation, reconstruction, reorganisation or other similar arrangement (i) within the NamPower Group, or (ii) the terms of which were approved by a Special Resolution of Noteholders before the date of liquidation, curatorship, dissolution, winding-up or judicial management; or
- 13.1.1.6. the Issuer or a Relevant Subsidiary, as the case may be, becomes subject to a scheme of arrangement or compromise as envisaged in section 311 of the Namibian Companies Act (other than a scheme of arrangement or compromise the terms of which have been approved by a Special Resolution of the Noteholders and where the Issuer or the Relevant Subsidiary, as the case may be, is solvent); or
- 13.1.1.7. the Issuer or a Relevant Subsidiary, as the case may be, compromises or attempts to compromise with or defers or attempts to defer payment of debts owing by it to its creditors generally or any significant class of its creditors; or
- 13.1.1.8. any procedural step is taken by the Issuer or a Relevant Subsidiary, as the case may be, (including an application, a proposal or a convening of a meeting) with a view to a compromise or arrangement with any of its creditors generally or any significant class of its creditors; or
- 13.1.1.9. the Issuer or a Relevant Subsidiary, as the case may be, commits any act which is, or if it were a natural person would be, an act of insolvency as defined in the Namibian Insolvency Act; or
- 13.1.1.10. the Issuer or a Relevant Subsidiary, as the case may be, is deemed to be unable to pay its debts in terms of the Namibian Companies Act; or
- 13.1.1.11. proceedings are initiated against the Issuer or a Relevant Subsidiary, as the case may be, such that a person takes possession of the whole or a Substantial Part of the undertaking or assets of the Issuer or the Relevant Subsidiary, as the case may be, or an execution or attachment or other process is levied, enforced upon, sued out or put in force against the whole or a Substantial Part of the undertaking or assets of the Issuer or a Relevant Subsidiary, as the case may be, and such proceedings are not (or such execution, attachment or other process is not) withdrawn, or settled and satisfied, within 30 (thirty) days; or
- 13.1.1.12. the Issuer or a Relevant Subsidiary, as the case may be, ceases to carry on its business in a normal and regular manner or materially changes the nature of its business, or through an official act of the board of directors of the Issuer or the Relevant Subsidiary, as the case may be, threatens to cease to carry on its business; or
- 13.1.1.13. any consent, license, permit or authorisation required by the Issuer or a Relevant Subsidiary, as the case may be, for the conduct of its business, is revoked, withdrawn, materially altered or not renewed and such situation is not remedied within 14 (fourteen days) after the Issuer or the Relevant Subsidiary, as the case may be, has been given written notice requiring the applicable consent, license, permit or authorisation to be obtained.
- 13.1.2. For purposes of this Condition 13.1:
- 13.1.2.1. **"Affected Subsidiary"** means each Group Company which represents more than 10% of the total assets of the Issuer, as reflected in the Issuer's most recent audited annual financial statements;
- 13.1.2.2. **"Financing and Contracting Agreements"** means one or more agreements (whether present or future), in whatever form:
- 13.1.2.2.1. entered into by (i) any Project Subsidiary(ies) as borrower(s), on a normal project finance basis in the ordinary course of the business of such Project Subsidiary(ies), and (ii) one or more other parties as lender(s), pursuant to which the lender(s) agree to lend moneys to the borrower(s) for purposes of financing all or any portion of a Project; and/or
- 13.1.2.2.2. entered into by (i) any Project Subsidiary(ies), in the ordinary course of the business of such Project Subsidiary(ies), and (ii) one or more contractor(s) (including, without limitation, power purchasers, engineering, procurement and construction contractors, operations and maintenance contractors and fuel suppliers), pursuant to which the contractor(s) agree to provide services to such Project Subsidiary(ies) in respect of a Project; and/or
- 13.1.2.2.3. entered into by the Issuer in support of the Project Subsidiary to obtain financing for the Project or to ensure that the

Project is realized including, without limitation, escrow account arrangements in the name of the Project Subsidiary (or in the name of the Issuer, but designated as a special account relating to the revenues and expenditure of a Project Subsidiary), which from time to time contains cash of the Issuer equivalent to amounts then owed by the Issuer to such Project Subsidiary, but not other cash of the Issuer;

- 13.1.2.3. **"Indebtedness"** means in relation to the Issuer or a Relevant Subsidiary, as the case may be, any indebtedness (whether present or future) of the Issuer or the Relevant Subsidiary, as the case may be, (amounting either alone or when aggregated with the principal amount of other indebtedness of the Issuer or the Relevant Subsidiary, as the case may be, to not less than 1.5% of the aggregate Share Capital and Reserves of the Issuer) which is due and payable, or which is declared or capable of being rendered due and payable before its agreed or normal maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due or within the applicable grace period in any agreement relating to that indebtedness, it being recorded, for the avoidance of doubt, that Indebtedness shall exclude any indebtedness of the Issuer or the Relevant Subsidiary, as the case may be, which has been waived and/or condoned by the relevant creditor(s) to whom, in the absence of such waiver and/or condonation, such indebtedness would otherwise have been due and payable;
- 13.1.2.4. **"Project"** means any project and/or arrangement (whether in existence or to be created in future) that has as its aim establishing, acquiring and holding a discrete set of electricity, energy or infrastructure assets, having its own separate legal identity, to construct, develop, operate and maintain the assets in terms of Financing and Contracting Agreements;
- 13.1.2.5. **"Project Subsidiary"** means any Affected Subsidiary which, before, on or after the Programme Date, is formed as a special purpose vehicle solely for the purpose of one or more Projects, it being recorded that financing for the Project Subsidiary is or will be obtained by means of debt and/or equity, and that the financial repayment obligations of the Project Subsidiary are not met from the balance sheet or general assets of the Issuer or any Group Company, except with respect to any guarantee and/or suretyship and/or indemnity given by the Issuer as contemplated in Condition 6.2.9;
- 13.1.2.6. **"Relevant Subsidiary"** means each Affected Subsidiary (expressly excluding each Project Subsidiary);
- 13.1.2.7. **"Share Capital and Reserves"** means the sum of:
 - 13.1.2.7.1. the aggregate amount (including any share premium) for the time being paid up or credited as paid up in the issued share capital of the Issuer (including, without limitation, ordinary shares, preference shares of any nature and any interest and/or rights, however designated, to any of such shares); plus
 - 13.1.2.7.2. the aggregate amount standing to the credit of the capital and revenue reserves of the Issuer,
 - each such aggregate amount being the amount shown in, or calculated by reference to, the Issuer's most recent audited financial statements and, in this regard, a report by the auditors of the Issuer that, in their opinion, the amount of the Share Capital and Reserves shown in a certificate provided by the Issuer is correctly shown in, or has been correctly calculated by reference to, the Issuer's most recent audited financial statements shall, in the absence of manifest error, be *prima facie* evidence of the matters to which it relates;
- 13.1.2.8. **"Substantial Part"** means in relation to the Issuer or a Relevant Subsidiary, as the case may be, an aggregate amount equal to or greater than 10% of the aggregate value of the fixed assets and current assets of the Issuer, such value and such assets being determined by reference to the then most recent audited balance sheet of the Issuer and, in this regard, a report by the auditors of the Issuer that, in their opinion, (i) the amounts shown in a certificate provided by the Issuer (showing the fixed assets and current assets of the relevant part and those fixed assets and current assets expressed as a percentage of the fixed assets and current assets of the Issuer) have been correctly extracted from the accounting records of the Issuer, and (ii) the percentage of the fixed assets and current assets of that part to the fixed assets and current assets of the Issuer has been correctly calculated shall, in the absence of manifest error, be *prima facie* evidence of the matters to which it relates.

13.2. Action upon Event of Default

- 13.2.1. The Issuer, upon becoming aware that any Event of Default has occurred and is continuing, shall forthwith notify (i) the Paying Agent, the Calculation Agent, the JSE, the CSD and the NSX in writing of such Event of Default and (ii) the Noteholders (in the manner set out in Condition 19.1) of such Event of Default.
- 13.2.2. The holder of any Notes in respect of which an Event of Default contemplated in Condition 13.1.1.1 has occurred and/or the holder of any Notes who has become aware that any Event of Default contemplated in Conditions 13.1.1.2 to 13.1.1.13 inclusive has occurred may, by written notice to the Issuer effective upon the date of receipt thereof by the Issuer (the **"Acceleration Date"**), declare all of the Notes held by that holder to be immediately due and payable, whereupon each such Note (whether or not due for payment) shall become immediately due and payable at its Redemption Amount together (where applicable) with interest accrued to the Acceleration Date.
- 13.2.3. The Issuer, upon receipt of each notice contemplated in Condition 13.2.2 shall forthwith notify the Paying Agent and the Calculation Agent in writing (and, if the relevant Notes are listed (i) on the Interest Rate Market of the JSE or (ii) on the Interest Rate Market of the JSE and the NSX, as the case may be, (i) the JSE and the CSD or (ii) the CSD, the JSE and the NSX, as the case may be) that the relevant Notes which are the subject of such notice have become immediately due and payable.

14. TRANSFER OF NOTES

14.1. Transfer of Beneficial Interests

Transfers of Beneficial Interests to and from clients of CSD Participants occur by way of electronic book entry in the securities accounts maintained by the CSD Participants for their clients, in accordance with the Applicable Procedures. Transfers of Beneficial Interests among CSD Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the CSD Participants, in accordance with the Applicable Procedures. Transfers of Beneficial Interests in Notes will not be recorded in the Register, and the CSD's Nominee will continue to be reflected in the Register as the registered holder of such Notes notwithstanding such transfers.

14.2. Transfer of Notes represented by Individual Certificates

- 14.2.1. A transfer of Notes represented by an Individual Certificate will not be recorded in the Register, and such transfer will not be recognised by the Issuer, unless:
- 14.2.1.1. the transfer of such Notes is embodied in the Transfer Form;
 - 14.2.1.2. the Transfer Form is signed by the registered Noteholder and the transferee, or any authorised representative of that registered Noteholder and/or transferee;
 - 14.2.1.3. the Transfer Form is delivered to the Transfer Agent for the Programme in Namibia at its Specified Office together with the Individual Certificate representing such Notes for cancellation.
- 14.2.2. Transfers of Notes represented by an Individual Certificate will only be in a denomination of ZAR1,000,000 (NAD1,000,000) (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR or NAD) or any multiple thereof. Notes represented by an Individual Certificate may be transferred in whole or in part in amounts of not less than ZAR1,000,000 (NAD1,000,000) (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR or NAD) or any multiple thereof.
- 14.2.3. Subject to the preceding provisions of this Condition 14, the Transfer Agent for the Programme in Namibia will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Laws and/or the Applicable Procedures), record the transfer of Notes represented by an Individual Certificate (or the relevant portion of such Notes) in the Register, and authenticate and deliver to the transferee at the Specified Office of the Transfer Agent for the Programme in Namibia or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate in respect of such Notes reflecting the same Outstanding Principal Amount as the Notes transferred.
- 14.2.4. Where a Noteholder has transferred part only of his holding of Notes represented by an Individual Certificate, the Transfer Agent for the Programme in Namibia will authenticate and deliver to such Noteholder at the Specified Office of the Transfer Agent for the Programme in Namibia or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, a new Individual Certificate in respect of the balance of the Notes held by such Noteholder.
- 14.2.5. The transferor of any Notes represented by an Individual Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 14.2.6. Before any transfer of any Notes represented by an Individual Certificate is registered in the Register, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Transfer Agent for the Programme in Namibia may reasonably require as to the identity and title of the transferor and the transferee.
- 14.2.7. No transfer of any Notes represented by an Individual Certificate will be registered during the Register Closed Period.
- 14.2.8. If a transfer of any Notes represented by an Individual Certificate is registered in the Register, the Transfer Form and cancelled Individual Certificate will be retained by the Transfer Agent for the Programme in Namibia.

15. EXCHANGE OF BENEFICIAL INTERESTS FOR AN INDIVIDUAL CERTIFICATE AND REPLACEMENT OF CERTIFICATES

15.1. Exchange of Beneficial Interests

- 15.1.1. A holder of a Beneficial Interest in a Note may, if permitted by the South African Financial Markets Act, by written notice to the holder's CSD Participant (or, if such holder is a CSD Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate ("**Exchange Notice**"). The Exchange Notice shall specify the name, address and bank account details of the holder of the Beneficial Interest. The Exchange Notice shall specify (a) the name, address and bank account details of the holder of the Beneficial Interest and (b) the day on which such Beneficial Interest is to be exchanged for an Individual Certificate; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) days after the day on which such Exchange Notice is given.
- 15.1.2. The holder's CSD Participant shall, within 7 (seven) days of receipt of the Exchange Notice, through the CSD, notify the Transfer Agent for the Programme in South Africa that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Agent for the Programme in South Africa will, as soon as is practicable but within 14 (fourteen) days of receipt of such notice from the CSD, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 day period ("**Exchange Date**"), to the holder's CSD Participant (acting on behalf of the holder of the Beneficial Interest) at the Specified Office of the Transfer Agent for the Programme in South Africa; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding, and the delivery to one of those joint holders shall be delivery to all of them.

15.1.3. In order to effect the exchange of a Beneficial Interest in any Notes (a) the CSD's Nominee will, prior to the Exchange Date, surrender (through the CSD system) such Notes to the Transfer Agent for the Programme in South Africa at its Specified Office and (b) the Transfer Agent for the Programme in South Africa will obtain the release of such Notes from the CSD in accordance with the Applicable Procedures.

15.1.4. An Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes of a particular aggregate Outstanding Principal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Outstanding Principal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent for the Programme in South Africa; provided that if such Outstanding Principal Amount is equivalent to a fraction of ZAR1,000,000 (NAD1,000,000) (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR or NAD) or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

15.2. **Replacement of Individual Certificates**

If any Individual Certificate is mutilated, defaced, stolen, destroyed or lost it may be replaced at the Specified Office of the Transfer Agent for the Programme in Namibia, on payment by the claimant of such costs and expenses as may be incurred in connection therewith, and upon such terms as to evidence of title and the provision of such indemnity or security as the Issuer and the Transfer Agent for the Programme in Namibia may require. Mutilated or defaced Individual Certificates must be surrendered at the Specified Office of the Transfer Agent for the Programme in Namibia before replacements will be issued.

15.3. **Death and sequestration or liquidation of Noteholder**

Any person becoming entitled to Notes in consequence of the death or sequestration or liquidation of the holder of such Notes may, upon producing such evidence that he holds the position in respect of which he proposes to act under this Condition 15.3 or of his title as the Issuer, the Transfer Agent for the Programme in Namibia and (if applicable) the Transfer Agent for the Programme in South Africa, the CSD and/or the CSD Participant may require, be registered or recorded himself as the holder of such Notes or, subject to the Applicable Procedures, Condition 14 and this Condition 15.3, may transfer such Notes. The Issuer, the Transfer Agent for the Programme in Namibia and (if applicable) the Transfer Agent for the Programme in South Africa, the CSD and/or the CSD Participant shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered or recorded as aforesaid or shall duly transfer the Notes.

15.4. **Costs**

The costs and expenses of the printing, issue and delivery of each Individual Certificate and all taxes or governmental charges that may be imposed in relation to such Individual Certificate and/or the printing, issue and delivery of such Individual Certificate shall be borne by the Issuer. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of Notes evidenced by Individual Certificates may be levied by other persons, such as CSD Participants, under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer.

16. **REGISTER**

16.1. In terms of the Namibian Companies Act, the Register must be kept in Namibia. The Transfer Agent for the Programme in Namibia will hold and maintain the Register in Namibia and the Register will be kept at the Specified Office of the Transfer Agent for the Programme in Namibia. The Transfer Agent for the Programme in South Africa will liaise with the Issuer and the Transfer Agent for the Programme in Namibia for purposes of transmitting all information required to maintain the Register in respect of or in relation to Notes (and the Noteholders of such Notes) which are listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX).

16.2. The Register will reflect the number of Notes issued and outstanding and the serial number of Individual Certificates (if any) issued in respect of the Notes. The Register will contain the name, address and bank account details of the registered Noteholders. The Register will set out the aggregate Principal Amount of Notes issued to a Noteholder or the aggregate Outstanding Principal Amount of Notes transferred to a Noteholder, as the case may be, the Issue Date or the date of transfer, as the case may be, and the date upon which the Noteholder became registered as such. The Register will also clearly state that the Notes are not payable to bearer. The Register will be open for inspection during the normal business hours of the Transfer Agent for the Programme in Namibia to the Issuer (or any person authorised by the Issuer) and any Noteholder (or any person of proven identity authorised in writing by any Noteholder) and any other person, upon payment for such inspection, of the amount prescribed by the Namibian Companies Act or such lesser amount as the Issuer may determine.

16.3. Neither the Issuer nor the Paying Agent nor either of the Transfer Agents will be bound to enter any trust into the Register or to take any notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject.

16.4. The Register will, in relation to a Tranche of Notes, be closed during the Register Closed Period.

16.5. The Transfer Agent for the Programme in Namibia will, subject to Condition 16.1, amend the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified; provided that the Register will only be amended to reflect a transfer of Notes represented by an Individual Certificate if such transfer is carried out in accordance with Condition 14.2.

17. **TRANSFER AGENTS, CALCULATION AGENT AND PAYING AGENT**

17.1. The Issuer is entitled to vary or terminate the appointment of either Transfer Agent and/or the Paying Agent and/or to appoint additional or other agents, subject to and in accordance with the terms and conditions of the applicable Agency Agreement and/or the Paying Agency Agreement, as applicable.

- 17.2. If the Issuer elects to appoint another entity as Transfer Agent that other entity, on execution of an appropriate agreement or an appropriate accession letter, as the case may be, shall serve in that capacity in respect of the Programme.
- 17.3. If the Issuer elects to appoint, in relation to one or more Tranche(s) of Notes or a Series of Notes, another entity as Calculation Agent that other entity, on execution of a Calculation Agency Agreement, shall serve in that capacity in respect of those Notes. The Issuer is entitled to vary or terminate the appointment of a Calculation Agent, subject to and in accordance with the terms and conditions of the relevant Calculation Agency Agreement.
- 17.4. If the Issuer elects to appoint another entity as Paying Agent that other entity, on execution of (i) an agreement substantially in the form of the Paying Agency Agreement (insofar as the provisions of the Paying Agency Agreement are applicable to the Paying Agent) or (ii) an accession letter substantially in the form of annexure "B" to the Paying Agency Agreement (insofar as the provisions of that annexure are applicable to the Paying Agent), as the case may be, shall serve in that capacity in respect of the Notes.
- 17.5. If the Issuer elects to appoint another entity as Transfer Agent and/or Calculation Agent and/or Paying Agent in terms of this Condition 17, the Issuer shall notify the JSE, the NSX and the Noteholders (in the manner set out in Condition 19.1) of such appointment(s).
- 17.6. There will at all times be a Calculation Agent, a Paying Agent and a Transfer Agent with a Specified Office in such place as may be required by the Applicable Procedures.
- 17.7. Each Transfer Agent, the Paying Agent and the Calculation Agent act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Noteholders.

18. **BENEFIT OF THE PAYING AGENCY AGREEMENT AND THE APPLICABLE AGENCY AGREEMENT**

- 18.1. Each holder of Notes and each holder of a Beneficial Interest in Notes, upon its subscription for such Notes and the issue of such Notes to it, or upon the transfer of such Notes to it, as the case may be, is entitled to the benefits of, and is deemed to have notice of, the Paying Agency Agreement and the applicable Agency Agreement, and such holder shall be deemed to have accepted such benefits and shall be bound by all of those provisions of the Paying Agency Agreement and the applicable Agency Agreement which confer rights and/or impose obligations on the Noteholders.
- 18.2. Each holder of Notes and each holder of a Beneficial Interest in Notes undertakes in favour of each of the Paying Agent and each Transfer Agent that such holder shall perform all obligations imposed on the Noteholder in terms of the Paying Agency Agreement and the applicable Agency Agreement, and that it shall execute and attend to all deeds, documents and things and take all such action which the Paying Agent and/or either Transfer Agent may reasonably require to enable the Paying Agent and/or that Transfer Agent to carry out, exercise or discharge its/their powers, rights, authorities, provisions and/or obligations contained in the Paying Agency Agreement and the applicable Agency Agreement.

19. **NOTICES**

19.1. **Notice to Noteholders**

- 19.1.1. All notices to Noteholders of Notes represented by Individual Certificates shall be in writing and shall be sent by registered mail to the respective postal addresses of those Noteholders appearing in the Register or delivered by hand to the respective addresses of those Noteholders appearing in the Register. Each such notice shall be deemed to have been received by the relevant Noteholder on the date of delivery (if such notice is delivered by hand) or the tenth day after the date on which such notice is sent by registered mail (if such notice is sent by registered mail).
- 19.1.2. For so long as any Notes represented by Individual Certificates are listed on the Interest Rate Market of the JSE, there may be substituted for the notice contemplated in Condition 19.1.1, the publication of the relevant notice on SENS or on any other electronic news service of general distribution. For so long as any Notes represented by Individual Certificates are listed on the NSX, there may be substituted for the notice contemplated in Condition 19.1.1, the publication of the relevant notice on any electronic news service of general distribution (including the electronic news service established or used or required by the NSX).
- 19.1.3. All notices to holders of Beneficial Interest in Notes shall be in writing and shall be delivered by hand or transmitted by e-mail to the CSD's Nominee (as the registered holder of such Notes), the JSE and the CSD Participants, for communication by the CSD's Nominee and the CSD Participants to the holders of Beneficial Interests in accordance with the Applicable Procedures. Each such notice will be deemed to have been received by the holders of Beneficial Interests on the date of delivery (if such notice is delivered by hand) or the date on which such notice is transmitted by e-mail (if such notice is sent by e-mail).
- 19.1.4. Where any provision of the Terms and Conditions requires notice to be given to the Noteholders of any matter other than a meeting of Noteholders, such notice will be given *mutatis mutandis* as set out in this Condition 19.1, subject to compliance with any other time periods prescribed in the provision concerned. In addition to the applicable notice requirements set out in this Condition 19.1 above, all notices of meetings of all of the Noteholders or the relevant Group/s of Noteholders (as applicable) shall be published on SENS.

19.2. **Notice by Noteholders**

- 19.2.1. All notices to be given by any Noteholder of Note(s) represented by an Individual Certificate to the Issuer or either Transfer Agent, as the case may be, shall be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of that Individual Certificate, to the Specified Office of the Issuer or the Specified Office of that Transfer Agent, as the case may be. Each such notice shall be deemed to have been received by the Issuer or that Transfer Agent, as the case may be, on the date of delivery (if

such notice is delivered by hand) or the tenth day after the date on which such notice is sent by registered mail (if such notice is sent by registered mail).

- 19.2.2. All notices to be given by any holder of a Beneficial Interest to the Issuer shall be in writing and given by such holder through such holder's CSD Participant in accordance with the Applicable Procedures, and in such manner as the Issuer and the relevant CSD Participant may approve for this purpose.

20. AMENDMENT

- 20.1. The Issuer may effect, without the consent of any Noteholder, any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of South Africa and/or the law of Namibia (including, without limitation, the Applicable Laws and the Applicable Procedures).
- 20.2. Save as is provided in Condition 20.1, no amendment to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) of any Tranche of Notes may be effected unless (i) such amendment complies with the applicable provisions of the JSE Debt Listings Requirements and the NSX Rules, (ii) such amendment is in writing and signed by or on behalf of the Issuer and (iii):
- 20.2.1. if such amendment will affect any of the Applicable Terms and Conditions (including any of the Terms and Conditions) of all of the Tranches of Notes then in issue, (i) such amendment is approved by a Special Resolution of all of the Noteholders or (ii) the written resolution containing such amendment is signed by or on behalf of Noteholders holding not less than 75% of the aggregate Outstanding Principal Amount of all of such Tranches of Notes within 15 (fifteen) business days after such written resolution was submitted to all of the Noteholders in terms of Condition 20.4, as the case may be;
- 20.2.2. if such amendment will affect any of the Applicable Terms and Conditions (including any of the Terms and Conditions) of only certain Tranche/s (or a Series) of Notes, (i) such amendment is approved by a Special Resolution of the relevant Group of Noteholders or (ii) the written resolution containing such amendment is signed by or on behalf of Noteholders in the relevant Group of Noteholders holding not less than 75% of the aggregate Outstanding Principal Amount of all of such Tranche/s (or such Series) of Notes within 15 (fifteen) business days after such written resolution was submitted to the relevant Group of Noteholders in terms of Condition 20.4, as the case may be.
- 20.3. The provisions of Condition 24 will apply, *mutatis mutandis*, to each meeting of (as applicable) all of the Noteholders or the relevant Group of Noteholders contemplated in Condition 20.2.1(i) and Condition 20.2.2(i).
- 20.4. Any proposed amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) to be effected in terms of (as applicable) Condition 20.2.1(ii) or Condition 20.2.2(ii) will be notified to (as applicable) all of the Noteholders or the relevant Group of Noteholders (in the manner set out in Condition 19.1) and such notice shall (i) include the actual written resolution setting out the proposed amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions), (ii) the restrictions on voting under the Terms and Conditions, (iii) the last date on which (as applicable) all of the Noteholders or the relevant Group of Noteholders should return the signed written resolution, and the address to which the signed written resolution should be sent.
- 20.5. Any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) effected in terms of this Condition 20 will be binding on (as applicable) all of the Noteholders or the relevant Group of Noteholders, and such amendment will be notified to such Noteholders (in the manner set out in Condition 19.1) as soon as practicable thereafter.
- 20.6. For the avoidance of doubt, the exercise by the Issuer of its rights under Condition 17 shall not constitute an amendment to the Applicable Terms and Conditions (or the Terms and Conditions).

21. NO VOTING RIGHTS IN RESPECT OF NOTES HELD BY THE ISSUER

The Issuer will not have any voting rights in respect of any Notes held by it.

22. PRESCRIPTION

Any claim for payment of any amount (whether in respect of principal, interest or otherwise) in respect of any Notes will prescribe 3 (three) years after the date on which such amount first becomes due and payable under the Applicable Terms and Conditions; provided that if payment of such amount is required, in accordance with the Applicable Terms and Conditions, to be made to the CSD's Nominee, any claim for payment of such amount will prescribe 3 (three) years after the date on which such amount has been received by the CSD's Nominee.

23. GOVERNING LAW

The Programme Memorandum, the Notes and the Applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of South Africa, save that all references in the Programme Memorandum and/or the Applicable Terms and Conditions to (and provisions regarding) Namibian legislation will be governed by, and construed in accordance with, the laws of Namibia.

24. MEETINGS OF NOTEHOLDERS

24.1. Directions of Noteholders

- 24.1.1. The provisions with regard to meetings of Noteholders are set out in this Condition 24. The provisions of this Condition 24 will apply, *mutatis mutandis*, to each separate meeting of (as applicable) all of the Noteholders or the relevant Group/s of Noteholders.

24.1.2. Every director, the secretary of and the attorney to the Issuer and every other person authorised in writing by the Issuer, may attend and speak at a meeting of Noteholders, but will not be entitled to vote, other than (subject to Condition 21) as a Noteholder or proxy or duly authorised representative of a Noteholder.

24.1.3. A meeting of Noteholders will have power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:

24.1.3.1. by Ordinary Resolution of all of the Noteholders, to give instructions to the Issuer in respect of any matter not covered by the Applicable Terms and Conditions (including any of the Terms and Conditions) (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Applicable Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by the Applicable Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Applicable Terms and Conditions);

24.1.3.2. by Special Resolution of all of the Noteholders, to bind all of the Noteholders to any compromise or arrangement;

24.1.3.3. by Special Resolution of (as applicable) all of the Noteholders or the relevant Group (or Groups) of Noteholders, to agree to any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions), subject to and in accordance with Condition 20;

24.1.4. Unless otherwise specified in the Terms and Conditions (and subject to Condition 24.1.3), resolutions of (as applicable) all of the Noteholders or the relevant Group/s of Noteholders will require an Ordinary Resolution to be passed.

24.2. **Convening of meetings**

24.2.1. The Issuer may at any time convene a meeting of Noteholders or separate meetings of any Group (or Groups) of Noteholders (a "meeting" or the "meeting").

24.2.2. The Issuer will convene (i) a meeting of Noteholders upon the requisition in writing of Noteholders holding not less than 10% of the Outstanding Principal Amount of all of the Notes or (ii) a separate meeting of any Group (or Groups) of Noteholders upon the requisition in writing of the Noteholders in that Group (or those Groups) holding not less than 10% of the Outstanding Principal Amount of the Notes in that Group (or those Groups), as the case may be (each such requisition, a "requisition notice").

24.2.3. A requisition notice will state the nature of the business for which the meeting is to be held, the resolutions to be proposed and considered at the meeting and the place at which the meeting is to be held, and will be deposited at the Specified Office of the Issuer. A requisition notice may consist of several documents in like form, each signed by one or more requisitionists.

24.3. **Convening of meetings by requisitionists**

If the Issuer does not convene a meeting within 30 (thirty) days of the deposit of a requisition notice, the requisitionists may themselves convene the meeting, but the meeting so convened will be held within 90 (ninety) days from the date of such deposit and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. Whenever the requisitionists are about to so convene any such meeting, requisitionists shall forthwith give notice of the meeting to the Issuer and to (as applicable) all of the Noteholders or the relevant Group/s of Noteholders in accordance with Condition 24.4.1.

24.4. **Notice of meeting**

24.4.1. Unless the holders of at least 90% of the Outstanding Principal Amount of (as applicable) all of the Notes or the Notes in the relevant Group/s, agree in writing to a shorter period, the Issuer will, whenever it wishes (or is required) to convene a meeting of all the Noteholders (or the relevant Group/s of Noteholders), forthwith give at least 21 (twenty one) days' written notice thereof (exclusive of the day on which the notice is given and of the day on which the meeting is held) to all of the Noteholders or the relevant Group/s of Noteholders (in the manner set out in Condition 19.1), specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting. In addition to the applicable notice requirements set out in Condition 19.1, all notices of meetings of all of the Noteholders or the relevant Group/s of Noteholders (as applicable) shall be published on SENS.

24.4.2. The accidental omission to give such notice to any Noteholder or the non-receipt of any such notice will not invalidate the proceedings at a meeting.

24.5. **Place of meeting**

Unless otherwise specified in the relevant notice, all meetings will be held in Windhoek.

24.6. **Quorum**

24.6.1. A quorum at a meeting shall:

24.6.1.1. for the purposes of considering an Ordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the Outstanding Principal Amount of (as applicable) all of the Notes or the Notes in the relevant Group/s;

24.6.1.2. for the purposes of considering a Special Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than a clear majority of the Outstanding Principal Amount of (as applicable) all of the Notes or the Notes in the relevant Group/s.

24.6.2. No business will be transacted at a meeting of the Noteholders unless a quorum is present at the time when the meeting proceeds to business.

24.6.3. If, within 15 (fifteen) minutes from the time appointed for the meeting, a quorum is not present, the meeting will, if it was convened on the requisition of Noteholders, be dissolved. In every other case the meeting will stand adjourned to the same day in the second week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. If at such adjourned meeting a quorum is not present the Noteholders present in person or by proxy at such adjourned meeting will constitute a quorum for the purpose of considering any resolution, including an Ordinary Resolution and a Special Resolution.

24.7. **Chairman**

A person (who may but need not be a Noteholder) nominated in writing by the Issuer will preside as chairman at a meeting. If that person is not present within 10 (ten) minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own number to preside as chairman. The procedures to be followed at the meeting shall be as determined by the chairman subject to this Condition 24. The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.

24.8. **Adjournment**

24.8.1. Subject to the provisions of this Condition 24, the chairman may, with the consent of, and will if directed by, the Noteholders then present at the meeting, adjourn the meeting from time to time and from place to place.

24.8.2. No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

24.8.3. At least 14 (fourteen) days' written notice of any meeting adjourned through want of a quorum will be given in the same manner as of the original meeting and such notice will state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum. Otherwise it shall not be necessary to give notice of an adjourned meeting.

24.9. **How resolutions are decided**

At a meeting, a resolution put to the vote will be decided on a poll. In the case of an equality of votes, the chairman will not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

24.10. **Votes**

24.10.1. Voting of all of the Noteholders or the Noteholders in the relevant Group/s (as applicable) shall only take place on a poll and not on a show of hands. On a poll every Noteholder (subject to Condition 21), present in person or by proxy, will be entitled to that proportion of the total votes which the Outstanding Principal Amount of the Notes held by such Noteholder bears to the Outstanding Principal Amount of (as applicable) all of the Notes or the Notes in the relevant Group/s.

24.10.2. The CSD's Nominee, as the registered holder of each Tranche of Notes which is held in the CSD, will vote at any meeting of Noteholders (or the relevant Group/s of Noteholders) on behalf of the holders of Beneficial Interests in such Notes, in accordance with the instructions to the CSD's Nominee from such holders conveyed through such holders' CSD Participants in accordance with the Applicable Procedures.

24.11. **Proxies and representatives**

24.11.1. Noteholders present at a meeting either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a "**proxy form**") signed by the Noteholder or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a "**proxy**" or "**proxies**") to act on his or its behalf in connection with any meeting or proposed meeting.

24.11.2. A person appointed to act as proxy need not be a Noteholder.

24.11.3. The proxy form will be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Agent for the Programme in Namibia or the Specified Office of the Transfer Agent for the Programme in South Africa, as the case may be, not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.

24.11.4. No proxy form will be valid after the expiration of 6 months from the date named in it as the date of its execution.

24.11.5. Notwithstanding Condition 24.11.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.

24.11.6. A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the Noteholder's instructions pursuant to which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of the Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity, revocation or amendment shall have been received by the Issuer at its Specified Office or the Transfer Agent for the Programme in Namibia at its Specified Office or the Transfer Agent for the Programme in South Africa, as the case may be, more than, and that the transfer has been given effect to less than, 12 (twelve) hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.

24.11.7. Any Noteholder which is a juristic person may, by resolution of its directors or other governing body, authorise any person to act as its representative in connection with any meeting or proposed meeting. Any reference in the Terms and Conditions to a Noteholder present at a meeting in person includes the duly authorised representative of a Noteholder which is a juristic person.

24.12. **Binding effect of resolutions**

A resolution passed at a meeting of all of the Noteholders or the Noteholders in the relevant Group/s (as applicable) duly convened and held in accordance with the provisions of this Condition 24 is binding on all of the Noteholders or the Noteholders in the relevant Group/s (as applicable), whether present or not present at any such meeting, and each of such Noteholders shall be bound to give effect thereto accordingly. The passing of any such resolution shall be conclusive evidence (unless the contrary is proved) that the circumstances of such resolution justify the passing of it.

24.13. **Signed resolution**

Subject to Condition 20.4, a resolution in writing signed by or on behalf of all of the Noteholders or all of the Noteholders in the relevant Group/s (as applicable) shall be as valid and effectual as a Special Resolution passed at a meeting of such Noteholders duly convened and held in accordance with the provisions contained in this Condition 24.

24.14. **Minutes**

The Issuer will cause minutes of all resolutions and proceedings of meetings to be duly entered in books to be provided by the Issuer for that purpose. Any such minutes, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings held or by the chairman of the next succeeding meeting, will be receivable in evidence without any further proof, and until the contrary is proved, a meeting of (as applicable) all of the Noteholders or the Noteholders in the relevant Group/s in respect of the proceedings of which minutes have been so made will be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

25. **FURTHER ISSUES**

The Issuer shall be at liberty from time to time, without the consent of any Noteholder, to create and issue a Tranche of Notes ("**Additional Notes**") having terms and conditions which are identical to any other Tranche of Notes already in issue under the Programme ("**Existing Notes**") (save for their respective Issue Prices, actual Issue Dates and aggregate Principal Amounts), so that the Additional Notes (i) are consolidated with the Existing Notes and form part of the same Tranche of Existing Notes and (ii) rank *pari passu* in all respects with the Existing Notes.

Section 8
USE OF PROCEEDS

The net proceeds from the issue of a Tranche of Notes will be applied by the Issuer for, among other things, the development and upgrade of the Issuer's electricity capabilities and responsibilities, and its other general corporate activities, or as otherwise specified in the Applicable Pricing Supplement and, where applicable, Annexure "A" to the Applicable Pricing Supplement.

Section 9 DESCRIPTION OF THE ISSUER

Introduction

Namibia Power Corporation (Proprietary) Limited ("**Issuer**" or "**NamPower**") is the national power utility of Namibia and specialises in the generation and transmission of electricity. NamPower is incorporated with limited liability under company registration number 2051 in Namibia, in terms of the Namibian Companies Act, and is directly and wholly-owned by the Government of the Republic of Namibia ("**GRN**"). NamPower is accordingly a "*state-owned enterprise*" for purposes of the Namibian State Owned Enterprise Governance Act. NamPower is the holding company of the Group.

The registered office of NamPower is situated at NamPower Centre, 15 Luther Street, Windhoek, Namibia. The company secretary of NamPower is Ms S Mavulu. The registered office of the company secretary of NamPower is situated at NamPower Centre, 15 Luther Street, Windhoek, Namibia.

Description of business

NamPower's main objectives are the availability, affordability and accessibility of electricity to as many Namibians as possible within the shortest possible time. NamPower is currently the sole trader of energy and owner of electricity generation and transmission businesses in Namibia.

NamPower is geographically well positioned to balance hydro and thermal generation resources against specific demand from within the Southern African Development Community ("**SADC**") region and Southern African Power Pool ("**SAPP**") operating member countries. One of NamPower's core businesses is transmission, enabling it to benefit from interconnections with neighbouring countries.

Board of directors

The Minister of Mines and Energy, on behalf of the GRN, has all the powers and obligations afforded to a shareholder in terms of the Namibian Companies Act. The Cabinet of the GRN appoints the board of directors of NamPower ("**Board**"), as well as the Chairperson of the Board, on such terms and conditions as are prescribed by the Namibian Companies Act and NamPower's articles of association.

In recognition of corporate governance principles, the Board consists of experienced and well-respected local business people and senior civil servants. Ms MMN Nakale, General Manager: Provident Institutions of NAMFISA, is the current Chairperson of the Board.

The Board appoints one of their members or any other suitably qualified person as a Managing Director to whom the Board delegates certain powers. The current Managing Director of the Board, Mr. Paulinus Shilamba, was appointed on 01 May 2006 and has more than fourteen years of experience in the electricity sector. Prior to joining NamPower, Mr. Shilamba served the Ministry of Mines and Energy in various capacities before his promotion to the position of Director of Energy in 1997. He then joined the Electricity Control Board ("**ECB**") as a General Manager: Technical Services. He also served as a non-executive director on the boards of Mobile Telecommunication Company ("**MTC**") and Namibia Post & Telecom Holdings.

The directors on the Board as at the Programme Date are:

- Ms MMN Nakale (*Chairperson*);
- Mr P I Shilamba (*Managing Director*);
- Ms S Mavulu (*Company Secretary*);
- Mr P J Maritz;
- Ms M M N Nakale;
- Mr G Narib;
- Mr P A Kiiyala;
- Ms S-P Utonih;
- Mr EJ Roeber.

Sub-committees

There are a number of sub-committees (with unique capabilities) that assist the Board to execute its responsibilities of delivering on NamPower's promises and mandate. As at the Programme Date, the sub-committees are the Audit and Risk Management Committee, the Remuneration and Nomination Committee, the Investment Committee and the Board Tender Committee.

Corporate governance

NamPower is not in compliance with the King III Code of Corporate Governance. The reasons for this are that (i) NamPower is incorporated with limited liability in Namibia and (ii) NamPower is regulated by the Namibian Companies Act (and not the South African Companies Act). The extent of NamPower's compliance with corporate governance regimes, as well as information on the corporate governance regimes which are applicable to NamPower, is contained in the respective annual reports of NamPower, which annual reports are incorporated by reference into this Programme Memorandum (see Section 1 of this Programme Memorandum headed "*Documents Incorporated by Reference*"). Such annual reports can be accessed on NamPower's website at www.nampower.com.na.

NamPower is committed to achieving high standards of corporate governance. The Board has developed self – governance principles over the years which are applied transparently and consistently. The Board also recognises that compliance with legislation is an important component of good governance. In this regard, the Board is satisfied with actions that management has taken to ensure compliance with all relevant legislation.

Full compliance with the corporate governance regimes which are applicable to NamPower has not been practically possible with respect to certain provisions of the Namibian State-Owned Enterprises Governance Act (see "*Regulation*" – "*Namibian State-Owned Enterprises Governance Act*" below). Management has and continues to engage the State-Owned Enterprise Governance Council with the aim of achieving full compliance. The discussions are aimed at ensuring that full compliance does not negate achievements already attained prior to the Namibian State-Owned Enterprises Governance Act becoming effective.

The Group continues to apply and comply with the provisions of the Namibian Companies Act and its internal governance procedures in directing and managing the business. Certain exceptions as provided within the Namibian State-Owned Enterprises Governance Act were also processed. The matters dealt with through NamPower's internal governance procedures and subject to the Board's approval include development and implementation of NamPower's strategic and financial plan, determination and approval of the remuneration of the Board and senior management and management of NamPower's investment portfolio. The Namibian State-Owned Enterprises Governance Act does not apply to the subsidiaries and associates, but only to NamPower.

Government support

NamPower's Ratings are currently aligned with those of its sole shareholder, the GRN, due to a continuation of NamPower's strategic, operational and financial links with the GRN. As at the Programme Date, Fitch Southern Africa (Proprietary) Limited expects GRN support to remain strong, supported by the strategic role NamPower has in the Vision 2030 objectives set by the GRN. Electricity supply is quite strategic to Namibian economic growth and therefore NamPower has a strong alliance with the GRN. It is envisaged that the GRN will remain the sole shareholder of NamPower for the foreseeable future.

Regulation

Namibian Companies Act

NamPower is incorporated under, and is subject to the applicable provisions of, the Namibian Companies Act.

Namibian Electricity Act

NamPower is regulated by the Namibian Electricity Act and, as such, is regulated by the Namibian Electricity Control Board ("**ECB**").

The Namibian Electricity Act provides for:

- the powers and functions of the ECB;
- the requirements and conditions for obtaining licences for the provision of electricity;
- the powers and obligations of licensees;
- the restructuring of the electricity distribution industry, so as to enable the establishment of regional electricity distribution companies;
- related incidental matters.

The ECB is an independent regulatory authority. The core mandate of the ECB is to exercise control over the electricity supply industry and has the responsibility of regulating electricity generation, transmission, distribution, supply, import and export of electricity in Namibia by setting electricity tariffs and issuing licenses. The ECB executes its statutory functions through the Technical Secretariat headed by the Chief Executive Officer.

Namibian State-Owned Enterprises Governance Act

The Government of the Republic of Namibia is the sole shareholder of NamPower. NamPower is accordingly a "*state-owned enterprise*" as defined in the Namibian State-Owned Enterprises Governance Act.

The purpose of the Namibian State-Owned Enterprises Governance Act is to make provision for the efficient governance of "*state-owned enterprises*" ("**SOEs**") and the monitoring of their performance, to make provision for the restructuring of SOEs, to establish the State-Owned Enterprise Governance Council and to define its powers, duties and functions, and to make provisions for incidental matters.

Section 19(3)(d) of the Namibian State-Owned Enterprises Governance Act provides that the business and financial plan of an SOE must state if the SOE intends to borrow money in the next financial year, and provide a general indication of the borrowing plans and strategies of the SOE for that year. Section 19(5) of the Namibian State-Owned Enterprises Governance Act provides that an SOE must act only in accordance with its business plan, unless it has first obtained the written approval of the relevant portfolio Minister to do otherwise. The business and financial plan of an SOE must be submitted annually, at least 90 (ninety) days before the commencement of the SOE's next financial year.

As NamPower's business and financial plan does not state that NamPower intends to issue Notes under the Programme, NamPower requires the written approval of the Minister of Mines and Energy to issue Notes under the Programme. NamPower will obtain the written approval of the Minister of Mines and Energy prior to the issue of the first Tranche of Notes, under the Programme, pursuant to this Programme Memorandum.

Further information

A more detailed description of NamPower and its business is set out in the respective annual reports of NamPower which are incorporated by reference into this Programme Memorandum (see Section 1 of this Programme Memorandum headed "*Documents Incorporated by Reference*").

17 July 2013

The annual reports of NamPower for the financial years ended 30 June 2010, 30 June 2011, 30 June 2012 and 30 June 2013 are (or will be, in the case of the 30 June 2013 annual report) available for inspection, upon request, during normal office hours, at the Specified Offices of NamPower and each Transfer Agent (who will hold such annual reports on behalf of NamPower). In addition, these annual reports are (or will be, in the case of the 30 June 2013 annual report) available on NamPower's website at www.nampower.com.na.

The annual reports of NamPower for all financial years of NamPower after the Programme Date will, as and when such annual reports are approved and become available, be available for inspection, upon request, during normal office hours, at the Specified Offices of NamPower and each Transfer Agent (who will hold such annual reports on behalf of NamPower). In addition, these annual reports will, as and when such they are approved and become available, be available on NamPower's website at www.nampower.com.na.

Section 10
FINANCIAL INFORMATION

General

The respective annual reports of the Issuer for the financial years ended 30 June 2010, 30 June 2011, 30 June 2012 and 30 June 2013, which include the audited annual consolidated financial statements of the Issuer for such financial years and the independent auditor's reports in respect of such financial statements, are incorporated by reference into this Programme Memorandum (see Section 1 of this Programme Memorandum headed "*Documents Incorporated by Reference*"). These annual reports are (or will be, in the case of the 30 June 2013 annual report) available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and each Transfer Agent (who will hold such annual reports on behalf of the Issuer). In addition, these annual reports are (or will be, in the case of the 30 June 2013 annual report) available on the Issuer's website at www.nampower.com.na.

The respective annual reports of the Issuer for all financial years of the Issuer after the Programme Date, which will include the audited annual consolidated financial statements of the Issuer for such financial years and the independent auditor's reports in respect of such financial statements,, are incorporated by reference into this Programme Memorandum (see Section 1 of this Programme Memorandum headed "*Documents Incorporated by Reference*"). These annual reports will, as and when they are approved and become available, be available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and each Transfer Agent (who will hold such annual reports on behalf of the Issuer). In addition, these annual reports will, as and when such they are approved and become available, be available on the Issuer's website at www.nampower.com.na.

Commercial Paper Regulations - latest audited financial statements

If the Commercial Paper Regulations are applicable to the issue of a Tranche of Notes (as contemplated in Annexure "A" to the Applicable Pricing Supplement set out in Section 6 of this Programme Memorandum headed "*Form of the Applicable Pricing Supplement*") then, where this Programme Memorandum and/or the Applicable Pricing Supplement relating to that Tranche of Notes is distributed and/or made available for inspection in South Africa, a copy of the Issuer's latest audited financial statements will at all times separately accompany this Programme Memorandum and/or that Applicable Pricing Supplement, as required by the Commercial Paper Regulations.

Section 11 SUBSCRIPTION AND SALE

Dealer and placing Arrangements

A Tranche of Notes may be offered by way of public auction or private placement or any other means permitted by Applicable Law, as determined by the Issuer and the relevant Dealer(s).

A public auction is not an offer of the Notes "to the public" for purposes of the Namibian Companies Act but a process used in the debt capital markets to place a Tranche of Notes with institutional investors. A public auction (or Dutch auction) is a procedure for placing a Tranche of Notes with institutional investors at a particular price. The relevant Dealer(s) send an indicative term sheet relating to the Tranche of Notes to potential institutional investors who are given from 4 (four) to 7 (seven) days to consider the indicative term sheet. The date of pricing and allocation of the Tranche of Notes (the Book-Build Date) generally falls from 3 (three) to 5 (five) days before the Issue Date. The pricing and allocation of a Tranche of Notes (the Book-Build) is done, on the Book-Build Date, when potential institutional investors are given a specified time limit (generally 2 hours) in which to telephone in their respective bids for a particular Principal Amount of Notes (for example, N\$2,000,000) at a particular rate (for example, WIBAR plus 0.25%). Thereafter, the Tranche of Notes is priced and allocated to potential institutional investors on the basis of the outcome of all of the bids, and the Pricing Supplement is completed.

In terms of (and subject to) the Programme Agreement, FirstRand Bank Limited, acting through its Rand Merchant Bank ("RMB") has been appointed as Lead Arranger and Debt Sponsor of the Programme in South Africa and RMB Namibia (Proprietary) Limited ("RMB Namibia") has been appointed as Lead Arranger of the Programme in Namibia. Simonis Storm Securities (Proprietary) Limited (member of the NSX) has been appointed as Sponsor of the Programme in Namibia.

In terms of (and subject to) the Programme Agreement, Absa Corporate and Investment Bank, a division of Absa Bank Limited, Deutsche Bank AG, Johannesburg branch, RMB, RMB Namibia, NedNamibia Holdings Limited and The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division have been appointed as Dealers for the duration of the Programme. The Issuer may, in terms of (and subject to) the Programme Agreement, appoint one or more additional Dealers for the duration of the Programme or to place one or more particular Tranches of Notes.

Subject to the Programme Agreement, the Issuer may from time to time agree with any Dealer(s) to issue, and any Dealer(s) may agree to place, one or more Tranches of Notes by entering into a Placement Agreement. Each Placement Agreement will be concluded in accordance with, and be supplemental to, the Programme Agreement.

A Placement Agreement will, among other things, provide for the relevant Dealer(s), subject to certain conditions set out in the Placement Agreement (as read with the Programme Agreement), to place the Notes in the relevant Tranche(s) of Notes, and may also provide for the Dealer(s) to underwrite the subscription and payment for such Notes.

On the Issue Date, delivery of the Notes in a Tranche of Notes which is held in the CSD to the subscribers of such Notes will, in accordance with the relevant Placement Agreement (as read with the Programme Agreement), be effected by the Issuer's CSD Participant, against payment of the Issue Price, in accordance with the Applicable Procedures. The relevant Dealer(s) may procure sale and purchase transactions in respect of the relevant Tranche(s) of Notes before the Issue Date. Such transactions will be for settlement on the Issue Date and will be subject to the condition that the relevant Placement Agreement is not terminated before the time on which such transactions are to be settled on the Issue Date. The relevant Dealer(s) may, under certain circumstances (before the issue of or payment for the relevant Tranche(s) of Notes) terminate their obligations to place the relevant Tranche(s) of Notes under the relevant Placement Agreement. The relevant Placement Agreement may, under certain circumstances (before the issue of or payment for the relevant Tranche(s) of Notes), automatically terminate. If the relevant Placement Agreement is terminated before the Issue Date, the transactions in the relevant Tranche(s) of Notes shall also terminate and no party thereto shall have any claim against any other party as a result of such termination. The Issuer has no right to cancel the relevant Placement Agreement before the issue of or payment for the relevant Tranche(s) of Notes.

Selling restrictions

Republic of South Africa

Each relevant Dealer will represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes, it will not solicit any offers for subscription for (or sale of) any of such Notes and will not itself sell any of such Notes, in South Africa in contravention of the South African Companies Act, the South African Banks Act, the South African Exchange Control Regulations and any other Applicable Laws and regulations of South Africa in force from time to time. In particular, this Programme Memorandum does not, nor is it intended to, constitute a "prospectus" (as contemplated in the South African Companies Act) and each relevant Dealer will represent and agree that, in relation to the placing of the relevant Tranche(s) of Notes, it will not make an "offer to the public" (as such expression is defined in the South African Companies Act) of any of such Notes (whether for subscription, purchase or sale). Notes will not be offered for subscription or sale to any single addressee for an amount of less than ZAR1,000,000.

Republic of Namibia

Each relevant Dealer will represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes, it will not solicit any offers for subscription for (or sale of) any of such Notes or itself sell any of such Notes, in Namibia in contravention of the Namibian Companies Act, the Namibian Banking Institutions Act, the Namibian Exchange Control Regulations and any other Applicable Laws and regulations of Namibia in force from time to time. In particular, this Programme Memorandum does not, nor is it intended to, constitute a "prospectus" (as contemplated in the Namibian

Companies Act) and each relevant Dealer will represent and agree that, in relation to the placing of the relevant Tranche(s) of Notes, it will not make an "offer to the public" (as such expression is defined in the Namibian Companies Act) of any of such Notes (whether for subscription, purchase or sale). Notes will not be offered for subscription or sale to any single addressee for an amount of less than NAD1,000,000.

United States of America

Regulation S Category 2

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "**US Securities Act**"). The Notes may not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the US Securities Act.

Each relevant Dealer will represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes, it has not offered, sold, resold or delivered any of such Notes and will not offer, sell, resell or deliver any of such Notes:

- a) as part of its distribution at any time; and
- b) otherwise until 40 (forty) days after completion of the distribution of all of the Notes in the relevant Tranche(s) of Notes, as determined and certified by the relevant Dealer or, in the case of an issue of the relevant Tranche(s) of Notes on a syndicated basis, the relevant Lead Manager(s), of all Notes of the Series of which the relevant Tranche(s) of Notes is/are a part,

within the United States of America or to, or for the account or benefit of, U.S. persons only in accordance with Regulation S and it will send to each dealer or distributor to which it sells any Notes in the relevant Tranche(s) of Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States of America or to, or for the account or benefit of, U.S. persons to substantially the following effect:

"The Notes covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (a) as part of their distribution at any time and (b) otherwise until 40 (forty) days after the later of (i) the commencement of their offering and (ii) completion of the distribution of such Notes, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant Lead Manager, except in either case (a) or (b), in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, an offer or sale of the Notes within the United States of America by any Dealer or other distributor (whether or not participating in the offering of such Notes) during the distribution compliance period described in the preceding paragraph may violate the registration requirements of the US Securities Act.

Each relevant Dealer (and in the case of the issue of the relevant Tranche(s) of Notes on a syndicated basis, the relevant Lead Manager(s)) shall determine and certify to the Issuer when it has completed the distribution of the Notes in the relevant Tranche(s) of Notes.

Each relevant Dealer will further represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes, neither it, its affiliates nor any person acting on its or their behalf has engaged or will engage in any "directed selling efforts" (as that term is defined in Regulation S under the US Securities Act) with respect to the relevant Tranche(s) of Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S.

European Economic Area

Each relevant Dealer will represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes and each Relevant EEA State, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant EEA State ("**Relevant Implementation Date**"), it has not made and will not make an offer of any of such Notes to the public in that Relevant EEA State except that it may, with effect from and including the Relevant Implementation Date, make an offer of any of such Notes to the public in that Relevant EEA State:

- a) if the Applicable Pricing Supplement specifies that an offer of such Notes may be made other than pursuant to Article 3.2 of the Prospectus Directive in that Relevant EEA State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant EEA State or, where appropriate, approved in another Relevant EEA State and notified to the competent authority in that Relevant EEA State, provided, if applicable, that any such prospectus has subsequently been completed by the Applicable Pricing Supplement (as constituting final terms for the purposes of the prospectus) contemplated in such a Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Applicable Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- c) at any time to fewer than 100 or, if the Relevant EEA State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons per Relevant EEA State (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- d) at any time in any other circumstances falling within Article 3.2 of the Prospectus Directive,

provided that no such offer of such Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant EEA State means the

communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant EEA State by any measure implementing the Prospectus Directive in that Relevant EEA State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant EEA State), and includes any relevant implementing measure in each Relevant EEA State, the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU and the expression "**Relevant EEA State**" means any Member State of the European Economic Area which has implemented the Prospectus Directive.

United Kingdom

Each relevant Dealer will represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes:

- a) in relation to any of such Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any of such Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Notes would otherwise constitute a contravention of Section 19 of the United Kingdom Financial Services and Markets Act, 2000 ("**FSMA**") by the Issuer;
- b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any of such Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer;
- c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any of such Notes in, from or otherwise involving the United Kingdom.

Changes to the above selling restrictions

The selling restrictions set out above may in relation to the relevant Tranche(s) of Notes, be changed by the Issuer and the relevant Dealer(s), including following a change in, or clarification of, a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country or jurisdiction concerned or any change in or introduction of any of them or in their interpretation or administration. Any such change will be set out in the Applicable Pricing Supplement(s) relating to the relevant Tranche(s) of Notes.

Other selling restrictions

Each relevant Dealer will represent and agree that, in relation to its placing of the relevant Tranche(s) of Notes:

- a) it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, subscribes or procures subscriptions for, offers or sells, Notes in the relevant Tranche(s) of Notes or has in its possession or distributes this Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of any of such Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales;
- b) it will comply with such other or additional restrictions as the Issuer and the relevant Dealer(s) agree and as are set out in the Applicable Pricing Supplement.

Neither the Issuer nor any of the Dealers represent that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such subscription or sale.

Section 12 TAXATION

The information below is intended as a general guide to the relevant tax laws of Namibia and South Africa as at the Programme Date. The contents of this Section 12 do not constitute (and are not intended as) advice and do not purport to describe all of the considerations that may be relevant to a Noteholder (or prospective Noteholder). Noteholders (or prospective Noteholders) should consult their professional advisers.

Republic of Namibia

Income Tax

Nature of any original issue discount or premium

Any original issue at a discount to the Principal Amount of the Notes will, in terms of the Namibian Income Tax Act, be treated as interest for tax purposes and the discount amount will be deemed to accrue to the Noteholder in accordance with the applicable provisions of the Namibian Income Tax Act. Any original issue premium over the Principal Amount of the Notes will also be treated as interest for tax purposes, and will be deemed to have been incurred by the Noteholder in accordance with the applicable provisions of the Namibian Income Tax Act.

Position as at the Programme Date

Income tax in Namibia is governed by the Namibian Income Tax Act. Namibia has a source based system as opposed to a residence based tax system. In terms of the Namibian Income Act, in relation to any year or period of assessment, income means, in respect of any person, the total amount, in cash or otherwise, received by or accrued to or in favour of such person during such year or period of assessment from a source within, or deemed to be within, Namibia.

Section 15 (2) of the Namibian Income Tax Act provides that "Any interest which has been received by or has accrued to any domestic company or any person who is ordinarily resident in Namibia in respect of any loan, deposit, advance, participation bond, debenture or interest-bearing security, or any dividend distributed by any building society which has been received by or has accrued to any such domestic company or person, shall be deemed to have been derived from a source within Namibia, wheresoever such loan, deposit or advance is made or held or participation bond is registered or debenture, interest-bearing security or any share to which such dividend relates is subscribed for or issued or held or such interest or dividend is payable".

Accordingly, any income accruing to Noteholders in respect of the Notes will be liable for Taxes imposed or assessed by the Namibian Receiver of Revenue if such income is sourced (or deemed to be sourced) within Namibia subject to (and in accordance with) the applicable provisions of the Namibian Income Tax Act.

Withholding tax

In terms of the Namibian Income Tax Act as at the Programme Date no withholding or deduction for or on account of any Taxes is required to be made by the Issuer on any payments of principal and/or interest in respect of the Notes.

Stamp duty on issue and transfer of Notes

In terms of the Namibian Stamp Duties Act as at the Programme Date:

- a) stamp duty of 0.2% of the aggregate Principal Amount of a Tranche of Notes is payable by the Issuer to the Namibian Receiver of Revenue upon the original issue of such Notes;
- b) subject to the exemption set out in paragraph c) below, stamp duty of 0.2% of the aggregate Principal Amount of the relevant Notes is payable by the transferee to the Namibian Receiver of Revenue upon the registration of transfer of such Notes provided that that registration of transfer of the relevant Notes takes place before the expiry of a period of six months from the date of execution of the relevant Individual Certificate, failing which the stamp duty payable will be three times the stamp duty which would have been payable had such registration of transfer taken place within the afore-mentioned six-month period;
- c) no stamp duty is payable in respect of the transfer of any Notes which are listed on the NSX or (if applicable) on any other "licensed exchange" as defined in the Namibian Stock Exchanges Control Act.

Republic of South Africa

Income Tax

Nature of any original issue discount or premium

Any original issue at a discount to the Principal Amount of the Notes will, in terms of section 24J of the South African Income Tax Act, be treated as interest for tax purposes, and the discount amount will be deemed to accrue to the Noteholder on a yield to maturity basis as if such Noteholder were to hold the Notes until maturity. Any original issue premium to the Principal Amount of the Notes will, in terms of section 24J of the South African Income Tax Act, will also be treated as interest for tax purposes, and will be deemed to have been incurred by the Noteholder on a yield to maturity basis as if such Noteholder were to hold the Notes until maturity.

Position as at the Programme Date

A "resident" (as defined in section 1 of the South African Income Tax Act) ("**Resident**") will, subject to any available exemptions, be taxed on its world-wide income. Accordingly, a Noteholder who is a Resident will be liable to pay income tax, subject to available exemptions, on any income received or accrued in respect of the Notes held by that Noteholder in any relevant year of assessment of that Noteholder.

A "**Non-Resident**" is a person who or which is not a Resident. A Non-Resident is taxed in South Africa under the South African Income Tax Act only on income from a source within or deemed to be within South Africa. Interest which is received or accrued in respect of the Notes during any year of assessment to any Non-Resident Noteholder of such Notes will be exempt from income tax under the South African Income Tax Act, unless that person:

- a) is a natural person who was physically present in South Africa for a period exceeding 183 (one hundred and eighty three) days in aggregate during that year of assessment; or
- b) at any time during that year of assessment carried on business through a permanent establishment in South Africa.

Disposal of the Notes

Income tax is levied in relation to the disposal of any Notes by a Resident trader. Capital gains tax applies to any capital gain earned on the disposal or deemed disposal of an asset by a Resident. Capital gains tax will not be levied in relation to the disposal of any Notes by a non-Resident unless such Notes comprise assets which are attributable to a permanent establishment of that Non-Resident in South Africa during the relevant year of assessment.

Securities transfer tax

In terms of the South African Securities Transfer Tax Act as at the Programme Date, no securities transfer tax is payable on the issue, transfer or redemption of unlisted Notes or Notes which are listed (i) on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX) or (ii) on the NSX. Any future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer or redemption of such Notes will be for the account of Noteholders.

Section 13 EXCHANGE CONTROL

The information below is intended as a general guide to the position under the Namibian Exchange Control Regulations and the South African Exchange Control Regulations as at the Programme Date. The contents of this Section 13 below do not constitute (and are not intended as) exchange control advice and do not purport to describe all of the considerations that may be relevant to a Noteholder (or prospective Noteholder). Noteholders (or prospective Noteholders) who are non-residents of the Common Monetary Area or emigrants from the Common Monetary Area should consult their professional advisers.

Republic of South Africa: Notes listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX)

The Issuer

The South African Exchange Control Authority gave its written approval, on 12 April 2013, to the Issuer issuing Notes under the Programme, which are listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX), in an aggregate outstanding Principal Amount which does not exceed ZAR5,000,000,000 (NAD5,000,000,000).

Issue of certain Notes

In addition to the approval referred to under "*The Issuer*" above, the issue of a particular Tranche of Notes which is listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX) may, depending on the type and terms of the Notes in that Tranche, require the prior written approval of the South African Exchange Control Authority in terms of the South African Exchange Control Regulations.

In particular, in terms of Rule 3.20(c) of the JSE Debt Listings Requirements, if the interest payable on a Tranche of Notes which is listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX), under the Applicable Terms and Conditions, does not fall within the "[e]xchange control policy" which "allows interest to be paid up to Prime overdraft rate (Predominant rate) plus 3% per annum or as amended from time to time", as contemplated in the aforesaid Rule 3.20(c), the issue of that Tranche of Notes may require the prior approval of the South African Exchange Control Authority in terms of the South African Exchange Control Regulations. Dealings in such Notes and the performance by the Issuer of its obligations under such Notes and the Applicable Terms and Conditions may also be subject to the South African Exchange Control Regulations.

Emigrant Blocked Rand

Emigrant Blocked Rand may be used for the subscription for or purchase of any Notes which are listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX). Any principal and/or other redemption amount which is due and payable in respect of such Notes subscribed for or purchased with Emigrant Blocked Rand may not, in terms of the South African Exchange Control Regulations, be remitted out of South Africa or paid into a bank account outside South Africa.

Emigrants from the Common Monetary Area

As regards Notes which are listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX), any Individual Certificate issued, pursuant to Condition 15.1, to a Noteholder who is an emigrant from the Common Monetary Area ("**Emigrant Noteholder**") will be restrictively endorsed "*emigrant*" and must be deposited with the nominated authorised dealer in foreign exchange controlling such Emigrant Noteholder's blocked assets. Where a Beneficial Interest is held by an Emigrant Noteholder through the CSD, the securities account maintained for such Emigrant Noteholder by the relevant CSD Participant will be designated as an "*emigrant*" securities account.

All payments of principal and/or other redemption amount due and payable, to an Emigrant Noteholder, in respect of Notes which are listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX) will be deposited into such Emigrant Noteholder's Emigrant Blocked Rand account, as maintained by the nominated authorised dealer in foreign exchange controlling such Emigrant Noteholder's blocked assets. Such amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the South African Exchange Control Regulations. Payments of interest due and payable in respect of such Notes to such Emigrant Noteholder need not be deposited into such Emigrant Noteholder's Emigrant Blocked Rand account, and such amounts of interest are freely transferable from the Common Monetary Area.

Non-Residents of the Common Monetary Area

As regards Notes which are listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX), any Individual Certificate issued, pursuant to Condition 15.1, to a Noteholder who is not resident in the Common Monetary Area ("**Non-Resident Noteholder**") will be restrictively endorsed "*non-resident*". Where a Beneficial Interest is held by a Non-Resident Noteholder through the CSD, the securities account maintained for such Non-Resident Noteholder by the relevant CSD Participant will be designated as a "*non-resident*" securities account.

It will be incumbent on a Non-Resident Noteholder to instruct its nominated authorised dealer in foreign exchange as to how payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of the Notes held by such Non-Resident Noteholder are to be dealt with. Such amounts may, in terms of the South African Exchange Control Regulations, be remitted abroad only if such Notes were acquired with foreign currency introduced into South Africa and provided that the relevant Individual Certificate has been restrictively endorsed "*non-resident*" or the relevant securities account has been designated as a "*non-resident*" securities account, as the case may be.

Republic of Namibia: Notes listed only on the NSX and unlisted Notes

The Issuer

In a letter from the Namibian Exchange Control Authority to the NSX, dated 19 February 2013, headed "*Approval of the NamPower Medium Term Note Programme by the Namibian Stock Exchange*" the Namibian Exchange Control Authority has advised that "*from an Exchange Control point of view, we should have no objection to the Exchange Control requirements as outline in the attached Medium Term Note Programme*".

As the Issuer is domiciled in the Common Monetary Area, the Issuer is not required (subject to "*Issue of certain Notes*" below) to obtain the consent of the Namibian Exchange Control Authority, in terms of the Namibian Exchange Control Regulations, to issue Notes under the Programme which are listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX); provided that that the subscription proceeds of the issue of such Notes are transferred to the Issuer in ZAR or NAD.

The Issuer is not required to obtain the consent of the Namibian Exchange Control Authority, in terms of the Namibian Exchange Control Regulations, to issue Notes under the Programme which are listed only on the NSX or which are unlisted.

Issue of certain Notes

The issue of a particular Tranche of Notes which is listed only on the NSX or which are unlisted may, depending on the type and terms of the Notes in that Tranche, require the prior written approval of the Namibian Exchange Control Authority in terms of the Namibian Exchange Control Regulations. Dealings in such Notes and the performance by the Issuer of its obligations under such Notes and the Applicable Terms and Conditions may also be subject to the Namibian Exchange Control Regulations.

Emigrant Blocked Namibia Dollar

Emigrant Blocked Namibia Dollar may be used for the subscription for or purchase of any Notes which are listed only on the NSX or which are unlisted. Any principal and/or other redemption amount which is due and payable in respect of such Notes subscribed for or purchased with Emigrant Blocked Namibia Dollar may not, in terms of the Namibian Exchange Control Regulations, be remitted out of Namibia or paid into a bank account outside Namibia.

Emigrants from the Common Monetary Area

As regards Notes which are listed only on the NSX or which are unlisted, the Individual Certificates issued to a Noteholder who is an emigrant from the Common Monetary Area ("**Emigrant Noteholder**") will be restrictively endorsed "*emigrant*" and must be deposited with the nominated authorised dealer in foreign exchange controlling such Emigrant Noteholder's blocked assets within 30 (thirty) days from the date on which such Emigrant Noteholder becomes the holder of such Notes.

All payments of principal and/or other redemption amount due and payable, to an Emigrant Noteholder, in respect of Notes which are listed only on the NSX or which are unlisted will be deposited into such Emigrant Noteholder's Emigrant Blocked Namibia Dollar account, as maintained by the nominated authorised dealer in foreign exchange controlling such Emigrant Noteholder's blocked assets. Such amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Namibian Exchange Control Regulations. Payments of interest due and payable in respect of such Notes to such Emigrant Noteholder need not be deposited into such Emigrant Noteholder's Emigrant Blocked Namibia Dollar account, and such amounts of interest are freely transferable from the Common Monetary Area.

Non-Residents of the Common Monetary Area

As regards Notes which are listed only on the NSX or which are unlisted, the Individual Certificate issued to a Noteholder who is not resident in the Common Monetary Area ("**Non-Resident Noteholder**") will be restrictively endorsed "*non-resident*".

It will be incumbent on a Non-Resident Noteholder to instruct its nominated authorised dealer in foreign exchange as to how payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of the Notes held by such Non-Resident Noteholder are to be dealt with. Such amounts may, in terms of the Namibian Exchange Control Regulations, be remitted abroad only if such Notes were acquired with foreign currency introduced into Namibia and provided that the relevant Individual Certificate has been restrictively endorsed "*non-resident*".

Section 14
SETTLEMENT, CLEARING AND TRANSFER

Notes listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX)

Clearing systems

The CSD is the operator of an electronic clearing system and has been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the Interest Rate Market of the JSE. Each Tranche of Notes which is listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX) will be issued in registered uncertificated form and held in the CSD. Each such Tranche of Notes will be issued, cleared and transferred in accordance with the Applicable Procedures through the electronic settlement system of the CSD. Each such Tranche of Notes will be settled through CSD Participants who will comply with the electronic settlement procedures prescribed by the JSE and the CSD. The Notes may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

CSD Participants

The CSD maintains central securities accounts only for CSD Participants. As at the Programme Date, the CSD Participants are the South African Reserve Bank, Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited. Branches or agents of South African CSD Participants in Namibia will settle transfers in Namibia through such South African CSD Participants. Euroclear and Clearstream will settle other offshore transfers through their South African CSD Participant.

CSD Participants are responsible for the settlement of scrip and payment transfers through the CSD, the Interest Rate Market of the JSE and the South African Reserve Bank.

Payments

While a Tranche of Notes is held in its entirety by the CSD, the CSD's Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche.

Payments of all amounts in respect of a Tranche of Notes which is held in the CSD will be made to the CSD's Nominee, as the registered Noteholder of such Notes, which in turn will transfer such funds, via the CSD Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the CSD or the relevant CSD Participant, as the case may be, as the holders of Beneficial Interests in Notes shall look solely to the CSD or the relevant CSD Participant, as the case may be, for such person's share of each payment so made by (or on behalf of) the Issuer to, or for the order of, the CSD's Nominee, as the registered Noteholder of such Notes.

Transfer and exchange of Beneficial Interests

Title to Beneficial Interests held by clients of CSD Participants indirectly through such CSD Participants will pass on transfer thereof by electronic book entry in the securities accounts maintained by such CSD Participants for such clients. Title to Beneficial Interests held by CSD Participants directly through the CSD will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such CSD Participants. Beneficial Interests may be transferred only in accordance with the Applicable Procedures. Subject to the South African Financial Markets Act, Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 15.1.

Notes listed only on the NSX

Each Tranche of Notes which is listed only on the NSX will be issued in registered certificated form and will be represented by one or more Individual Certificates. Each Tranche of Notes which is listed only on the NSX will be issued, cleared and settled in accordance with the NSX Rules and settlement procedures for the time being of the NSX, by the Treasury Division of the Issuer (who will act as Settlement Agent of all transactions in such Notes) in conjunction with the NSX Broker(s).

Where a Tranche of Notes is to be listed on the NSX then, subject to (and in accordance with) the NSX Rules and the settlement procedures for the time being of the NSX:

- the Issuer will, at least 2 (two) Business Days before the Issue Date, apply to the NSX in writing for an ISIN Code;
- the Issuer will cause the Individual Certificate/s representing the Notes in that Tranche to be executed, issued and delivered, prior to the Issue Date, to the Settlement Agent;
- prior to the Issue Date, a copy of the signed Applicable Pricing Supplement relating to that Tranche will be delivered to the NSX;
- prior to the Issue Date, the Issuer and the relevant Dealer will provide the Settlement Agent with delivery and receipt instructions for the subscription for the Notes in that Tranche and payment therefor;
- on the Issue Date, delivery of the Notes in that Tranche subscribed for by an investor will be effected by the Settlement Agent, on behalf of the Issuer, delivering the Individual Certificate representing such Notes to that investor against payment of the Issue Price to the Settlement Agent, on behalf of the Issuer;
- against payment of the Issue Price to the Settlement Agent, on behalf of the Issuer, the Issuer will ensure that, on the Issue Date, the Notes in that Tranche subscribed for by an investor are registered in the Register in the name of that investor.

Payments of all amounts payable in respect of the Notes will be made to the person named as the registered Noteholder of such Notes in the Register at 17h00 (South African time) on the Last Day to Register. Joint (or multiple) registered Noteholders of the same Notes will not be permitted until such time as the NSX's payment and settlement system allows for split payment of amounts which are due and payable in respect of such Notes to each of such joint (or multiple) registered Noteholders.

Title to Notes represented by Individual Certificates will pass upon registration of transfer in accordance with Condition 14.2.

Notes listed on any Exchange other than (or in addition to) the Interest Rate Market of the JSE and/or the NSX

Each Tranche of Notes which is listed on any Exchange other than (or in addition to) the Interest Rate Market of the JSE and/or the NSX will be issued, cleared and settled in accordance with the rules and settlement procedures of that Exchange. The settlement and redemption procedures for a Tranche of Notes which is listed on any Exchange other than (or in addition to) the Interest Rate Market of the JSE and the NSX) will be specified in the Applicable Pricing Supplement.

If a Tranche of Notes which is listed on any Exchange (other than the Interest Rate Market of the JSE and the NSX) may, in terms of the rules of that Exchange and Applicable Laws, be lodged in a central securities depository and/or issued in uncertificated form, the relevant procedures (including those relating to beneficial ownership interests in that Tranche of Notes) will be set out in the Applicable Pricing Supplement.

Unlisted Notes

Each Tranche of unlisted Notes will be issued in registered certificated form and will be represented by one or more Individual Certificates. Unlisted Notes will be settled by the Treasury Division of the Issuer (who will act as Settlement Agent of all transactions in such Notes) in conjunction with the NSX Broker(s), if applicable.

Where a Tranche of unlisted Notes is to be issued:

- the Issuer will, at least 2 (two) Business Days before the Issue Date, apply to the NSX in writing for an ISIN Code;
- the Issuer will cause the Individual Certificate/s representing the Notes in that Tranche to be executed, issued and delivered, prior to the Issue Date, to the Settlement Agent;
- prior to the Issue Date, the Issuer and the relevant Dealer will provide the Settlement Agent with delivery and receipt instructions for the subscription for the Notes in that Tranche and payment therefor;
- on the Issue Date, delivery of the Notes in that Tranche subscribed for by an investor will be effected by the Settlement Agent, on behalf of the Issuer, delivering the Individual Certificate representing such Notes to that investor against payment of the Issue Price to the Settlement Agent, on behalf of the Issuer;
- against payment of the Issue Price to the Settlement Agent, on behalf of the Issuer, the Issuer will ensure that, on the Issue Date, the Notes in that Tranche subscribed for by an investor are registered in the Register in the name of that investor.

Payments of all amounts payable in respect of the Notes will be made to the person named as the registered Noteholder of such Notes in the Register at 17h00 (South African time) on the Last Day to Register. Joint (or multiple) registered Noteholders of the same Notes will not be permitted until such time as the NSX's payment and settlement system allows for split payment of amounts which are due and payable in respect of such Notes to each of such joint (or multiple) registered Noteholders.

Title to Notes represented by Individual Certificates will pass upon registration of transfer in accordance with Condition 14.2.

Limited recourse to the BESA Guarantee Fund Trust and the NSX Guarantee Fund

Unlisted Notes are not regulated by the JSE or the NSX. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of the Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust.

The holders of Notes that are not listed on the NSX will have no recourse against the NSX Guarantee Fund. Claims against the NSX Guarantee Fund may only be made in respect of the trading of Notes listed on the NSX and in accordance with the NSX Rules and the rules of the NSX Guarantee Fund.

Section 15 GENERAL INFORMATION

Authorisations

Republic of South Africa

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa have been given for the establishment of the Programme and the execution of this Programme Memorandum.

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa have been given for the Issuer to enter into and to perform its obligations under the Paying Agency Agreement, the applicable Agency Agreement and the Programme Agreement.

Republic of Namibia

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of Namibia have been given for the establishment of the Programme and the execution of this Programme Memorandum.

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of Namibia have been given for the Issuer to enter into and to perform its obligations under the Paying Agency Agreement, the applicable Agency Agreement and the Programme Agreement.

Approval and listing

This Programme Memorandum was approved by the JSE on 4 July 2013 and by the NSX on 12 March 2013. The Issuer may issue listed or unlisted Notes. Unlisted Notes are not regulated by the JSE or the NSX. Listed Notes will be listed on the Interest Rate Market of the JSE and/or the NSX and/or on such other Exchange(s) as may be determined by the Issuer and the relevant Dealer(s) subject to Applicable Laws. The Applicable Pricing Supplement relating to a Tranche of Notes will specify whether or not the Notes in that Tranche will be listed and, if so, on which Exchange(s).

Material change

After due and careful enquiry, the Issuer hereby confirms that as at the Programme Date, there has been no material change in the Issuer's financial or trading position since 30 June 2013 (being the date of the Issuer's last audited financial statements). This statement has not been confirmed or verified by the Auditors of the Issuer.

Litigation

Save as disclosed in this Programme Memorandum, the Issuer (whether as defendant or otherwise) is not engaged in any legal, arbitration, administration or other proceedings, the results of which might have or have had a significant effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

Auditors

KPMG (registered chartered accountants and auditors in Namibia) has acted as Auditors of the annual financial statements of the Issuer for the financial years ended 30 June 2010, 30 June 2011, 30 June 2012 and 30 June 2013 and, in respect of each of these years, issued an unqualified audit report.

Section 16 DEFINITIONS

Unless separately defined in this Programme Memorandum or, in relation to a Tranche of Notes, unless separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings:

"Absa Corporate and Investment Bank" means Absa Corporate and Investment Bank, a division of Absa Bank Limited (incorporated with limited liability under registration number 1986/004794/06 in South Africa);

"Actual Redemption Date" means, in relation to each Note in a Tranche, the date upon which such Note is actually redeemed in full by the Issuer and the full amount due and payable by the Issuer to the holder of such Note has been paid, being the date on which such amount is paid to such holder or, if such Note is held in the CSD, the earlier of (i) the date on which such amount is paid to such holder and (ii) the date on which such amount is paid to the CSD's Nominee and (in the circumstances set out in Condition 9) notice to that effect has been given by the Issuer to such holder (in the manner set out in Condition 19.1);

"Affiliate" means, in relation to a company, its holding company (as defined in the Namibian Companies Act) and the subsidiaries (as defined in the Namibian Companies Act) of such company and such holding company, it being recorded that the relevant entities shall not be limited to being South African and/or Namibian companies;

"applicable Agency Agreement" means:

- a) in the case of RMB (as the Transfer Agent for the Programme in South Africa), the written agreement, dated 20 June 2007, entered into between the Issuer and RMB (as the initial Paying Agent and Transfer Agent for the Programme in South Africa), as amended, novated and/or substituted from time to time in accordance with its terms;
- b) in the case of Transfer Secretaries (as the Transfer Agent for the Programme in Namibia), the written agreement, dated 27 October 2009, entered into between the Issuer and Transfer Secretaries (as the Transfer Agent for the Programme in Namibia), as amended, novated and/or substituted from time to time in accordance with its terms;

"Applicable Laws" means, in relation to a person, all and any (i) statutes and subordinate legislation, (ii) regulations, ordinances and directives, (iii) by-laws, (iv) codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, and (v) other similar provisions, from time to time, compliance with which is mandatory for that person;

"Applicable Maturity Date" means, in relation to a Tranche of Notes:

- a) in the case of the redemption of that Tranche of Notes pursuant to Condition 7.1, the Final Maturity Date;
- b) in the case of the redemption of that Tranche of Notes pursuant to Condition 7.2 (where applicable), the Optional Redemption Date;
- c) in the case of the redemption of that Tranche of Notes pursuant to Condition 7.3, the Early Redemption Date stipulated in the notice contemplated in Condition 7.3;
- d) in the case of the redemption of that Tranche of Notes pursuant to Condition 7.4, the Early Redemption Date defined as such in Condition 7.4.3.3;

"Applicable Pricing Supplement" means, in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Notes, as contemplated in Section 7 of this Programme Memorandum headed "*Form of the Applicable Pricing Supplement*";

"Applicable Procedures" means:

- a) in relation to a Tranche of Notes which is listed on the Interest Rate Market of the JSE (or on the Interest Rate Market of the JSE and the NSX), the rules and operating procedures for the time being of the CSD, CSD Participants and the JSE (including, without limitation, the JSE Rules and the JSE Debt Listings Requirements);
- b) in relation to a Tranche of Notes which is listed on the NSX, the rules and operating procedures for the time being of the NSX applicable to the Settlement Agent and/or the NSX Brokers (including, without limitation, the NSX Rules and the NSX Listing Requirements);

"Applicable Terms and Conditions" means, in relation to a Tranche of Notes, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement;

"Auditors" means the statutory auditors of the Issuer from time to time, being (as at the Programme Date) KPMG (registered chartered accountants and auditors in Namibia) and/or (where required by Applicable Laws) KPMG (registered chartered accountants and auditors in South Africa);

"Bank of Namibia" means the Bank of Namibia established under the Bank of Namibia Act, 1997;

"Beneficial Interest" means, in relation to a Tranche of Notes which is held in the CSD, the beneficial interest as co-owner of all of the Notes in that Tranche, as contemplated in Chapter IV of the South African Financial Markets Act, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by reference to the proportion that the aggregate Outstanding Principal Amount of such number of Notes bears to the aggregate Outstanding Principal Amount of all of the Notes in that Tranche, as contemplated in Chapter IV of the South African Financial Markets Act;

"BESA Guarantee Fund Trust" means the Guarantee Fund established and operated by The Bond Exchange of South Africa Limited, prior to its merger with the JSE on 22 June 2009 and, as at the Programme Date, operated by the JSE as a separate guarantee fund, in terms of the of the JSE Rules, as required by the South African Financial Markets Act, or any successor fund;

"Business Day" means, subject to the Applicable Procedures:

- a) where the Specified Currency is ZAR, a day (other than a Saturday, Sunday or statutory public holiday in South Africa) on which commercial banks settle payments in Rand in Johannesburg;
- b) where the Specified Currency is NAD, a day (other than a Saturday, Sunday or statutory public holiday in Namibia) on which commercial banks settle payments in Namibia Dollars in Windhoek;
- c) where the Specified Currency is not ZAR or NAD, a day (other than a Saturday, Sunday or statutory public holiday) on which commercial banks and foreign exchange markets settle payments in the Specified Currency in the principal financial centre of the Specified Currency;

"Business Day Convention" means, in relation to a Tranche of Notes (where applicable), the convention for adjusting any date if it would otherwise fall on a day that is not a Business Day, and the following terms, when specified in the Applicable Pricing Supplement and used in conjunction with the term "Business Day Convention" and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

- a) if **"Following"** is specified in the Applicable Pricing Supplement the relevant payment date will be the first following day that is a Business Day; or
- b) if **"Modified Following"** or **"Modified"** is specified in the Applicable Pricing Supplement, the relevant payment date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; or
- c) if **"Preceding"** is specified in the Applicable Pricing Supplement, the relevant payment date will be the first preceding day that is a Business Day; or
- d) such other method of adjusting the relevant payment date as is specified in the Applicable Pricing Supplement;

"Calculation Agent" means the Issuer, unless the Issuer elects to appoint, in relation to one or more Tranche(s) of Notes or a Series of Notes, another entity as Calculation Agent pursuant to a Calculation Agency Agreement, as contemplated in Condition 17;

"Calculation Agency Agreement" means, if the Issuer elects to appoint, in relation to one or more Tranche(s) of Notes or a Series of Notes, another entity as Calculation Agent in terms of Condition 17.3, an agreement, substantially in the form of annexure "B" to the Calculation Agency Terms and Conditions, dated 20 June 2007, in terms of which the Issuer agrees to appoint that entity as Calculation Agent, in relation to those Notes, as amended, novated and/or substituted from time to time in accordance with its terms;

"Commercial Paper Regulations" means the commercial paper regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of *"the business of a bank"* in the South African Banks Act, set out in Government Notice 2172 and published in *Government Gazette* 16167 of 14 December 1994;

"Common Monetary Area" means the Republics of South Africa and Namibia and the Kingdoms of Swaziland and Lesotho;

"CSD" means Strate Limited (registration number 1998/022242/06), licensed as a central securities depository in terms of the South African Financial Markets Act, or any additional or alternate depository approved by the Issuer;

"CSD's Nominee" means, in relation to a Tranche of Notes which is held in the CSD, a wholly owned subsidiary of the CSD approved by the Registrar of Securities Services in terms of the South African Securities Services Act (prior to 3 June 2013) or the South African Financial Markets Act (on and after 3 June 2013), as applicable, and any reference to "CSD's Nominee" shall, whenever the context permits, be deemed to include any successor nominee operating in terms of the South African Financial Markets Act;

"CSD Participant" means, in relation to a Tranche of Notes which is held in the CSD, a person accepted by the CSD as a participant in terms of the South African Securities Services Act (prior to 3 June 2013) or the South African Financial Markets Act (on and after 3 June 2013), as applicable;

"Day Count Fraction" means, in relation to a Tranche of Notes (where applicable):

- a) if **"1/1"** is specified in the Applicable Pricing Supplement, 1; or
- b) if **"Actual/365"**, **"Act/365"**, **"Actual/Actual"** or **"Act/Act"** is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365); or
- c) if **"Actual/365 (Fixed)"**, **"Act/365 (Fixed)"**, **"A/365 (Fixed)"** or **"A/365F"** is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365; or
- d) if **"Actual/360"**, **"Act/360"** or **"A/360"** is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 360; or
- e) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day

months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) that last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or

- f) if "30E/360" or "Eurobond Basis" is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Interest Payment Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- g) such other calculation method as is specified in the Applicable Pricing Supplement;

"Dealer(s)" means Absa Corporate and Investment Bank, Deutsche Bank AG, Johannesburg branch, NedNamibia, RMB, RMB Namibia, Standard Bank, and each additional Dealer appointed by the Issuer under the Programme from time to time pursuant to the Programme Agreement, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer;

"Debt Sponsor" means RMB (as Debt Sponsor of the Programme in South Africa);

"Deutsche Bank AG, Johannesburg branch" means Deutsche Bank AG, Johannesburg branch (incorporated in the Federal Republic of Germany under registration number HRB No. 30 000 and registered as an external company under registration number 1998/003298/10 in South Africa);

"Early Redemption Amount" means, in relation to a Tranche of Zero Coupon Notes, the amount calculated in accordance with Condition 7.6.1, and (where applicable) in relation to a Tranche of Index-Linked Notes (or any other Tranche of Notes not specifically provided for in the Terms and Conditions), the amount specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement, as contemplated in Condition 7.6.2;

"Early Redemption Date" means, in relation to a Tranche of Notes:

- a) in the case of the redemption of that Tranche of Notes pursuant to Condition 7.3, the date stipulated as the date for early redemption of that Tranche of Notes in the notice of redemption given by the Issuer in terms of Condition 7.3;
- b) in the case of the redemption of that Tranche of Notes pursuant to Condition 7.4, the Early Redemption Date defined as such in Condition 7.4.3.3;

"Emigrant Blocked Rand" means, for purposes of the South African Exchange Control Regulations, funds which may not be remitted out of South Africa or paid into a bank account outside South Africa;

"Emigrant Blocked Namibia Dollar" means, for purposes of the Namibian Exchange Control Regulations, funds which may not be remitted out of Namibia or paid into a bank account outside Namibia;

"Event of Default" means an event of default as set out in Condition 13.1;

"Exchange" means, if applicable to a Tranche of Notes, the Interest Rate Market of the JSE and/or the NSX and/or such other exchange(s) as may be determined by the Issuer and the relevant Dealer(s) subject to Applicable Laws, as specified in the Applicable Pricing Supplement;

"Final Broken Amount" means, in relation to a Tranche of Notes (where applicable), the amount (if any) specified as such in the Applicable Pricing Supplement;

"Final Maturity Date" means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

"Fixed Interest Rate" means, in relation to a Tranche of Notes (where applicable), the fixed interest rate per annum specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Fixed Rate Notes" means Notes which bear interest at a Fixed Interest Rate;

"Floating Interest Rate" means, in relation to a Tranche of Notes (where applicable), the floating interest rate per annum specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Floating Rate Notes" means Notes which bear interest at a Floating Interest Rate;

"Group" or **"Group of Noteholders"** means, in relation to a Tranche of Notes, the holders of the Notes in that Tranche or, if a Tranche of Notes is in the same Series as any other Tranche or Tranches of Notes, the holders of the Notes in that Series, as the case may be;

"Group Company" means any company within the NamPower Group;

"Implied Yield" means, in relation to a Tranche of Zero Coupon Notes, the yield accruing on the Issue Price, specified as a percentage in the Applicable Pricing Supplement;

"Individual Certificate" means:

- a) in relation to a Tranche of Notes which is held in the CSD, the single certificate in definitive registered form without interest coupons representing Notes for which a Beneficial Interest has been exchanged in accordance with Condition 15.1;

b) in relation to (i) a Tranche of Notes which is listed only on the NSX and (ii) a Tranche of unlisted Notes, the single certificate in definitive registered form without interest coupons representing one or more Notes in that Tranche;

"Initial Broken Amount" means, in relation to a Tranche of Notes (where applicable), the amount (if any) specified as such in the Applicable Pricing Supplement;

"Interest Amount" means, in relation to a Tranche of Notes (where applicable), the amount of interest due and payable in respect of each Note in that Tranche, on the relevant Interest Payment Date, in respect of the relevant Interest Period, calculated by the Calculation Agent in accordance with Condition 8.2.6 and Condition 10.1;

"Interest Commencement Date" means, in relation to a Tranche of Notes (where applicable), the Issue Date or such other date (if any) as is specified in the Applicable Pricing Supplement;

"Interest Payment Date" means, in relation to a Tranche of Notes (where applicable), the date specified as such in the Applicable Pricing Supplement or, if no date is specified in the Applicable Pricing Supplement, the last day of each Interest Period;

"Interest Period" means, in relation to a Tranche of Notes (where applicable), each successive period commencing on and including an Interest Payment Date and ending on but excluding the following Interest Payment Date; provided that the first Interest Period shall commence on and include the Interest Commencement Date and the last Interest Period shall end on but exclude the Applicable Maturity Date;

"Interest Rate" means, in relation to a Tranche of Notes (where applicable), the Fixed Interest Rate and/or the Floating Interest Rate applicable to that Tranche;

"Interest Rate Market of the JSE" means the separate platform or sub-market of the JSE designated as the *"Interest Rate Market"* and on which Debt Securities (as defined in the JSE Debt Listings Requirements) may be listed, or such other separate platform or sub-market of the JSE as is selected by the Issuer, subject to all Applicable Laws;

"Index-Linked Notes" means a Tranche of Notes, the redemption amount and/or the interest amount of which is not fixed on the Issue Date, but which is calculated with reference to such formula and/or other arrangement as is specified in the Applicable Pricing Supplement;

"IFRS" means International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (*"IASB"*) and interpretations issued by the International Financial Reporting Interpretations Committee of IASB (as amended, supplemented or re-issued from time to time);

"ISDA" means International Swaps and Derivatives Association Inc;

"ISDA Definitions" means the 2000 ISDA Definitions (Interest Rate and Currency Derivative Transactions) published by ISDA (as amended, supplemented, revised or republished from time to time);

"ISDA Determination" means, in relation to a Tranche of Floating Rate Notes (where applicable), the manner (set out in Condition 8.2.6.1 as read with the Applicable Pricing Supplement) in which the Floating Interest Rate applicable to that Tranche is to be determined;

"Issue Date" means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

"Issue Price" means, in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;

"Issuer" means Namibia Power Corporation (Proprietary) Limited (incorporated in December 1964 with limited liability under company registration number 2051 in Namibia);

"JIBAR Rate" means, in relation to a Tranche of Floating Rate Notes (where applicable), unless otherwise specified in the Applicable Pricing Supplement, the average mid-market yield rate per annum for 3 month deposits in ZAR which appears on the Reuters Screen SAFEX MNY MKT page as the "SFX 3M YIELD" at or about 12h00 (South African time) on the Rate Determination Date, determined by the Calculation Agent in accordance with Condition 8.2.6.2;

"JSE" means the JSE Limited (registration number 2005/022939/06), licensed as an exchange in terms of the South African Financial Markets Act, or any exchange which operates as a successor exchange to the JSE in terms of the South African Financial Markets Act;

"JSE Debt Listings Requirements" means the document published by the JSE entitled *"Debt Listings Requirements"*, dated March 2011, which came into effect on 1 June 2011, as amended and/or supplemented from time to time;

"JSE Rules" means the Rules of the JSE from time to time, approved by the Registrar of Securities Services in terms of the South African Securities Services Act (prior to 3 June 2013) or the South African Financial Markets Act (on and after 3 June 2013), as applicable;

"Last Day to Register" means, in relation to a Tranche of Notes, the eleventh day or such other day as is specified in the Applicable Pricing Supplement (whether a Business Day or not) preceding each Interest Payment Date (where applicable) and the Applicable Maturity Date until 17h00 (South African time) on that day, such day being the last day on which the Transfer Agent for the Programme in Namibia will accept Transfer Forms and record in the Register the transfer of Notes in that Tranche represented by Individual Certificate(s);

"Late Redemption Amount" means, in relation to a Tranche of Zero Coupon Notes, the amount calculated in accordance with Condition 9.2.1, and (where applicable) in relation to a Tranche of Index-Linked Notes (or any other Tranche of Notes not specifically provided for in the Terms and Conditions), the amount specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Lead Arrangers" means each of RMB (as Lead Arranger of the Programme in South Africa) and RMB Namibia (as Lead Arranger of the Programme in Namibia);

"Margin" means, in relation to a Tranche of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;

"NACA" means nominal annual compounded annually;

"NACM" means nominal annual compounded monthly;

"NACQ" means nominal annual compounded quarterly;

"NACS" means nominal annual compounded semi-annually;

"NAD" or **"Namibia Dollar"** or **"N\$"** means the lawful currency of Namibia;

"Namibia" means the Republic of Namibia;

"Namibian Companies Act" means the Namibian Companies Act (No 61 of 1973);

"Namibian Electricity Act" means the Namibian Electricity Act (No 4 of 2007);

"Namibian Exchange Control Authority" means the Financial Intelligence Centre of the Bank of Namibia;

"Namibian Exchange Control Regulations" means the Namibian Exchange Control Regulations, 1961 promulgated pursuant to the Namibian Currency and Exchanges Act No 9 of 1933;

"Namibian Income Tax Act" means the Namibian Income Tax Act (No 24 of 1981);

"Namibian Insolvency Act" means the Namibian Insolvency Act (No 24 of 1936);

"Namibian Stamp Duties Act" means the Namibian Stamp Duties Act (No 15 of 1993);

"Namibian State-Owned Enterprises Governance Act" means the Namibian State-Owned Enterprises Governance Act (No 2 of 2006);

"Namibian Stock Exchanges Control Act" means the Namibian Stock Exchanges Control Act (No 1 of 1985);

"Namibian Value-Added Tax Act" means the Namibian Value Added Tax Act (No 10 of 2000);

"NamPower Group" means the Issuer and its subsidiaries (as defined in the Namibian Companies Act, save that the relevant entities shall not be limited to being Namibian companies);

"NedNamibia" means NedNamibia Holdings Limited (incorporated with limited liability under company registration number 91/075 in Namibia);

"Noteholders" and **"holders of Notes"** means the holders of Notes recorded as the registered holders of such Notes in the Register (it being recorded that, in relation to a Tranche of unlisted Notes and a Tranche of Notes which is listed only on the NSX, joint (or multiple) registered Noteholders of the same Notes will not be permitted until such time as the NSX's payment and settlement system allows for split payment of amounts which are due and payable in respect of such Notes to each of such joint (or multiple) registered Noteholders);

"Notes" means the unsecured registered notes of any kind issued by the Issuer, under the Programme, pursuant to the Programme Memorandum (or the Previous Programme Memorandum);

"NSX" means the Namibian Stock Exchange, licensed as an exchange in terms of section 1 of the Namibian Stock Exchanges Control Act, and any reference to "NSX" shall, whenever the context permits, be deemed to include any successor exchange operating in terms of the Namibian Stock Exchanges Control Act;

"NSX Broker(s)" means members of the NSX who are registered as such in terms of the Namibian Stock Exchanges Control Act and the NSX Rules and who are appointed to act as brokers in respect of transactions in Notes which are listed only on the NSX and/or unlisted Notes by investors in (or Noteholders of) such Notes;

"NSX Guarantee Fund" means the Guarantee Fund established by the NSX, and provided for in the NSX Rules;

"NSX Listing Requirements" means the listing requirements from time to time of the NSX which are applicable to notes and other debt instruments which are listed on the NSX;

"NSX Rules" means the Rules of the NSX from time to time, published by the NSX in terms of the Namibian Stock Exchanges Control Act;

"Optional Maturity Date" means, in relation to a Tranche of Notes (where applicable), the date specified as such in the Applicable Pricing Supplement;

"Ordinary Resolution" means a resolution passed at a properly constituted meeting of (as applicable) all of the Noteholders or the relevant Group/s of Noteholders, upon a poll, by a majority of the votes cast on such poll;

"Outstanding Principal Amount" means, in relation to each Note in a Tranche of Notes, the Principal Amount of that Note less (on each occasion on which that Note is partially redeemed in terms of Condition 7) that portion of the Principal Amount of that Note which has been so partially redeemed and, in relation to the Programme at any point in time, the aggregate outstanding Principal Amount of all of the Notes in issue under the Programme (including all Notes in issue under the Programme pursuant to the Previous Programme Memorandum) at that time;

"Paying Agent" means RMB, unless the Issuer elects to appoint another entity as Paying Agent, as contemplated in Condition 17;

"**place**" means to subscribe and pay for, or procure the subscription and payment for, the Notes in one or more Tranches of Notes pursuant to a Placement Agreement so that all of the Notes in such Tranche(s) are subscribed and paid for on the Issue Date(s) and "placing" will be construed accordingly;

"**Placement Agreement**" means an agreement, concluded in accordance with the Programme Agreement, in terms of which the Issuer agrees to issue one or more Tranches of Notes and one or more Dealers agree to place such Tranche or Tranches of Notes, in accordance with such agreement;

"**Principal Amount**" means, in relation to each Note in a Tranche of Notes, the nominal amount of that Note (being the amount equivalent to the Specified Denomination);

"**Programme**" means the Namibia Power Corporation (Proprietary) Limited ZAR5,000,000,000 (NAD5,000,000,000) Medium Term Note Programme under which the Issuer may from time to time issue Notes;

"**Programme Agreement**" means the written agreement so entitled, dated 20 June 2007, entered into between the Issuer, Absa Corporate and Investment Bank, Deutsche Bank AG, Johannesburg branch, NedNamibia, RMB, pointBreak Namibia Holdings (Proprietary) Limited (incorporated with limited liability under company registration number 2006/486 in Namibia) and Standard Bank (and subsequently acceded to by RMB Namibia), as amended, novated and/or substituted from time to time in accordance with its terms;

"**Programme Amount**" means the maximum aggregate Outstanding Principal Amount of all of the Notes that may be issued under the Programme (including all Notes in issue under the Programme pursuant to the Previous Programme Memorandum) at any one point in time being, as the Programme Date, ZAR5,000,000,000 (NAD5,000,000,000), or such increased amount as is determined by the Issuer from time to time subject to the Applicable Procedures, Applicable Laws and the Programme Agreement, as set out in Section 2 of this Programme Memorandum headed "*General Description of the Programme*";

"**Programme Date**" means the date of this Programme Memorandum, being 17 July 2013;

"**Programme Memorandum**" means this document so entitled in respect of the Programme dated 17 July 2013; provided that if the Issuer publishes a new Programme Memorandum or a supplement to the Programme Memorandum, as the case may be (as contemplated in Section 1 of this document headed "*Documents Incorporated by Reference*"), references to "Programme Memorandum" shall be construed as references to that new Programme Memorandum or the Programme Memorandum as supplemented, as the case may be;

"**R**" or "**Rand**" or "**ZAR**" means the lawful currency of South Africa;

"**Rate Determination Date**" means, in relation to a Tranche of Notes (where applicable), the day falling on the first day of each Interest Period or, if such day is not a Business Day, the first following day that is a Business Day, unless it would thereby fall into the next calendar month, in which event the Rate Determination Date shall be brought forward to the first preceding Business Day;

"**Rating**" means, in relation to a Tranche of Notes (where applicable), the rating of that Tranche of Notes granted by a Rating Agency, specified as such in the Applicable Pricing Supplement;

"**Rating Agency/ies**" means Standard & Poor's and/or Fitch Southern Africa (Proprietary) Limited and/or Moody's Investor Services Limited and/or any other internationally recognised rating agency appointed by the Issuer to assign a rating to any Tranche of Notes;

"**Redemption Amount**" means, in relation to each Note in a Tranche of Notes, unless otherwise specified in the Applicable Pricing Supplement, the Outstanding Principal Amount of that Note or, where Condition 7.6.1 or Condition 7.6.2 is applicable to that Note, the Early Redemption Amount, as the case may be;

"**Reference Banks**" means, if applicable to a Tranche of Notes, the banks specified as such in the Applicable Pricing Supplement or, if none, four major banks (selected by the Calculation Agent and approved by the Issuer) in the market that is most closely connected with the Reference Rate;

"**Reference Rate**" means, in relation to a Tranche of Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement;

"**Register**" means the register of Noteholders maintained by the Transfer Agent for the Programme in Namibia in terms of (and subject to) Condition 16;

"**Register Closed Period**" means, in relation to a Tranche of Notes, the period(s), following the Last Day to Register, specified in the Applicable Pricing Supplement, during which the Register is closed for purposes of giving effect to transfers, redemptions or payments in respect of that Tranche of Notes;

"**Relevant Screen Page**" means, in relation to a Tranche of Notes (where applicable), the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**RMB**" means FirstRand Bank Limited (incorporated with limited liability under registration number 1929/001225/06 in South Africa), acting through its Rand Merchant Bank division;

"**RMB Namibia**" means RMB Namibia (Proprietary) Limited (incorporated with limited liability under company registration number 2012/1063 in Namibia);

"**Paying Agency Agreement**" means the agreement described in paragraph (a) of the definition of "*applicable Agency Agreement*" above;

"Screen Rate Determination" means, in relation to a Tranche of Floating Rate Notes (where applicable), the manner (set out in Condition 8.2.6.2 as read with the Applicable Pricing Supplement) in which the Floating Interest Rate applicable to that Tranche is to be determined;

"Series" means a Tranche of Notes which, together with any other Tranche(s) of Notes, is expressed in the Applicable Pricing Supplement to form a single series on Notes, identified in the relevant Applicable Pricing Supplements by way of a unique numeral (such as Series 1), it being recorded, for the avoidance of doubt, that:

- a) a Tranche of Notes (see the definition of "Tranche" and "Tranche of Notes" below) are Notes which have identical Terms and Conditions and which are issued pursuant to a single issue;
- b) a tap issue of a Tranche of Notes pursuant to Condition 25, is the separate issue of a new Tranche of Notes which has the same ISIN Code number as, and the identical Terms and Conditions (save for the Issue Price, actual Issue Date and aggregate Principal Amount) which are applicable to, a Tranche of Notes which is already in issue, so that the new Tranche of Notes is consolidated with the existing Tranche of Notes and forms part of the same existing Tranche of Notes;
- c) a Series of Notes comprises one or more Tranche/s of Notes which do not have the same Terms and Conditions but which are categorised by the Issuer (in its sole and absolute discretion) as forming part of the same Series for identification purposes only, for example, all Tranches of Fixed Rate Notes or all Tranches of Subordinated Notes or all Tranches of Notes having the same maturity, may be categorised by the Issuer as forming part of the same Series of Notes;

"Settlement Agent" means the Treasury Division of the Issuer who will act as settlement agent of all transactions in unlisted Notes and Notes which are listed only on the NSX;

"South Africa" means the Republic of South Africa;

"South African Banks Act" means the South African Banks Act, 1990;

"South African Companies Act" means the South African Companies Act, 2008;

"South African Exchange Control Authority" means the Financial Surveillance Department of the South African Reserve Bank;

"South African Exchange Control Regulations" means the South African Exchange Control Regulations, 1961 promulgated pursuant to the South African Currency and Exchanges Act, 1933;

"South African Financial Markets Act" means the South African Financial Markets Act, 2012;

"South African Income Tax Act" means the South African Income Tax Act, 1962;

"South African Securities Services Act" means the South African Securities Services Act, 2004;

"South African Securities Transfer Tax Act" mean the South African Securities Transfer Tax Act, 2007;

"Special Resolution" means a resolution passed at a properly constituted meeting of (as applicable) all of the Noteholders or the relevant Group/s of Noteholders, upon a poll, by a majority consisting of not less than 75% of the votes cast on such poll;

"Specified Currency" means, in relation to a Tranche of Notes, South African Rand (ZAR) or the Namibia Dollar (NAD) or (subject to the South African Exchange Control Regulations or the Namibian Exchange Control Regulations, as applicable) any other currency specified as such in the Applicable Pricing Supplement;

"Specified Denomination" means, in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement; provided that such amount shall not be less than ZAR1,000,000 (NAD1,000,000) (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR or NAD);

"Specified Office" means, in relation to each of the Issuer, the Calculation Agent, the Paying Agent, the Transfer Agent for the Programme in Namibia and the Transfer Agent for the Programme in South Africa, the address of the office specified in respect of such entity at the end of this Programme Memorandum, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Noteholders (in the manner set out in Condition 19.1), as the case may be, and in relation to the NSX, the address of the office specified in respect of the NSX at the end of this Programme Memorandum, or such other address at which the NSX (or, where applicable, a successor to the NSX) is located from time to time;

"Sponsor" means Simonis Storm Securities (Proprietary) Limited (member of the NSX) (incorporated with limited liability under company registration number 96/421 in Namibia) (as Sponsor of the Programme in Namibia);

"Stabilisation Manager" means, in relation to the issue and placing of a Tranche of Notes (where applicable), the Issuer or the Dealer who is designated in the Applicable Pricing Supplement as the approved stabilisation manager;

"Standard Bank" means The Standard Bank of South Africa Limited (incorporated with limited liability under registration number 1962/000738/06 in South Africa), acting through its Corporate and Investment Banking division;

"Step-Up Margin" means, in relation to a Tranche of Notes (where applicable), the step-up margin specified as such in the Applicable Pricing Supplement;

"Taxes" means:

- a) in relation to South Africa, all present and future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of whatever nature imposed, levied, collected, withheld or assessed by, or on behalf of, any governmental, fiscal or other competent authority in South Africa (including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and "Tax" and "Taxation" will be construed accordingly;
- b) in relation to Namibia, all present and future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of whatever nature imposed, levied, collected, withheld or assessed by, or on behalf of, any governmental, fiscal or other competent authority in Namibia (including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and "Tax" and "Taxation" will be construed accordingly;

"Terms and Conditions" means the Terms and Conditions of the Notes set out in Section 7 of this Programme Memorandum headed *"Terms and Conditions of the Notes"*;

"Tranche" or **"Tranche of Notes"** means those Notes which are identical in all respects (including as to listing) and in respect of which the same Applicable Pricing Supplement applies;

"Transfer Agent for the Programme in Namibia" means Transfer Secretaries, unless the Issuer elects to appoint another entity as Transfer Agent for the Programme in Namibia, as contemplated in Condition 17;

"Transfer Agent for the Programme in South Africa" means RMB, unless the Issuer elects to appoint another entity as Transfer Agent for the Programme in South Africa, as contemplated in Condition 17;

"Transfer Form" means the written form for the transfer of Notes represented by an Individual Certificate, in the usual form or in such other form approved by the Transfer Agent for the Programme in Namibia and otherwise complying with Applicable Laws;

"Transfer Secretaries" means Transfer Secretaries (Proprietary) Limited (incorporated with limited liability under company registration number 93/731 in Namibia);

"WIBAR Rate" means, in relation to a Tranche of Notes (where applicable), unless otherwise specified in the Applicable Pricing Supplement, the average mid-market yield rate per annum for 3-month deposits in N\$ as published by the NSX on the Rate Determination Date, determined by the Calculation Agent in accordance with Condition 8.2.6.2;

"Zero Coupon Notes" means a Tranche of Notes which are offered and sold at a discount to their aggregate Principal Amount and which will not bear interest.

17 July 2013

SIGNED at Windhoek on 17 July 2013

For: Namibia Power Corporation (Proprietary) Limited

By: _____

Name:

Capacity: *Director, duly authorised*

By: _____

Name:

Capacity: *Director, duly authorised*

ISSUER

Namibia Power Corporation (Proprietary) Limited
(incorporated under company registration number 2051 in Namibia)
NamPower Centre
15 Luther Street
Windhoek
Namibia
Contact: Mr Andre Barlow
Telephone: +264 (0)61 205 2314
Fax: +264 (0)61 205 2274
Email: andre.barlow@nampower.com.na

**LEAD ARRANGER AND DEBT SPONSOR OF
THE PROGRAMME IN SOUTH AFRICA**

FirstRand Bank Limited
(acting through its Rand Merchant Bank division)
(incorporated under registration number 1929/001225/06 in South Africa)
14th Floor 1 Merchant Place
cnr. Rivonia Road and Fredman Drive
Sandton, 2196
South Africa
Contact: Gideon Vos
Telephone: +27 (0)11 282 8362
Fax: +27 (0)11 3843233
E-mail: gideon.vos@rmb.co.za

LEAD ARRANGER OF THE PROGRAMME IN NAMIBIA

RMB Namibia (Proprietary) Limited
(incorporated under company registration number 2012/1063 in Namibia)
Suite 13 and 14, The Village
8 Liliencron Street
Windhoek
Namibia
Contact: Matthias Langheld
Telephone: +264 (0)61 416 154
Fax: +264 (0)61 416 155
E-mail: matthias.langheld@rmb.com.na

SPONSOR OF THE PROGRAMME IN NAMIBIA

Simonis Storm Securities (Proprietary) Limited (member of the NSX)
(incorporated under company registration number 96/421 in Namibia)
4 Koch Street
Klein Windhoek
Windhoek
Namibia
Contact: Muller Kotze
Telephone: +264 (0)61 254 194
Fax: +264 (0)61 254 193
E-mail: mk@sss.com.na

DEALER

Absa Corporate and Investment Bank, a division of Absa Bank Limited
(incorporated under registration number 1986/004794/06 in South Africa)
15 Alice Lane
Sandton 2196
South Africa
Contact: Prasanna Nana
Telephone: +27 (0)11 895 6927
Fax: +27 (0)11 895 7809
E-mail: prasanna.nana@absacapital.com

DEALER

Deutsche Bank AG, Johannesburg branch
(registered as an external company under registration number 1998/003298/10 in South Africa)
3 Exchange Square
87 Maude Street
Sandton 2196
South Africa
Contact: Sorelle Gross
Telephone: +27 (0)11 775 7242
Fax: +27 (0)11 775 7607
E-mail: sorelle.gross@db.com

DEALER

FirstRand Bank Limited
(acting through its Rand Merchant Bank division)
(incorporated under registration number 1929/001225/06 in South Africa)
14th Floor 1 Merchant Place
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DEALER

NedNamibia Holdings Limited
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DEALER

RMB Namibia (Proprietary) Limited

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DEALER

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FirstRand Bank Limited

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(incorporated under registration number 1929/001225/06 in South Africa)
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TRANSFER AGENT FOR THE PROGRAMME IN NAMIBIA

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CALCULATION AGENT

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LEGAL ADVISER

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17 July 2013

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The Namibian Stock Exchange
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